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IRA mortars blast border town
in worst blow to Ulster police

Eight die
in attack
on RUC
station

From Paul Johnson
in Belfast

Eight people were feared dead last night after a police station in the border town of Newry, Northern Ireland, had been attacked by IRA mortars.

Early indications were that it was one of the worst attacks sustained by the Royal Ulster Constabulary in the 16 years of the present troubles.

The Republican paramilitaries used mortars in the assault on the heavily fortified building close to the town centre.

It is believed that at least six bombs were fired, three of them scoring hits on the building.

In a warning to sportsmen and IRA boys' mission, page 4

ing and in a compound at the rear.

The RUC said last night that several people, thought to be policemen, had been killed. There were also more than a dozen injured. Rescue workers were dragging in the rubble and a fleet of ambulances was used to carry the injured to hospital.

Two hours after the attack, which came at 8.35pm, the IRA issued a statement claiming responsibility.

Six mortar rounds struck the police station's canteen while it was packed for early evening meal. A policewoman was believed to be among the dead.

The IRA statement said: "This was a major and well-



CYPRIOIS' SANCTUARY: Vassilis and Katerina Nicola, who were due to be deported to Nicosia yesterday, in St Mary's Church, Euston, London, where they have taken refuge. Report, page 2; Picture by Martin Argles

Sunday meeting may tell miners
to go back to work next week

By Keith Harper,
Labour Editor

The miners' strike last night moved into its last phase. It could be called off on Sunday by a national delegate conference of the National Union of Mineworkers, called to discuss the growing pressure for an organised return to work.

This possibility loomed last night after the National Coal Board, after discussion with Mr Peter Walker, the Energy Secretary, had ruled out any further negotiations with the NUM unless the miners change their minds and accept the eight-point document from the board they rejected last week.

After a seven-hour session of the NUM executive in Sheffield Mr Arthur Scargill, the NUM president, announced that a further delegate conference would be held at Congress House, London, on Sunday. "It appears that the NCB, at the insistence of the government is not prepared to negotiate," he said.

Work set to restart at pits in danger and coal imports doubled, page 2; Leader comment, page 16

ence would be held at Congress House, London, on Sunday. "It appears that the NCB, at the insistence of the government is not prepared to negotiate," he said.

These talks were carried on yesterday during the NUM executive, when Mr Scargill, prompted by the executive, tried to drive a late bargain with the NCB. The NUM said that it was ready to accept in its entirety the agreement to establish a new colliery review procedure which was offered and accepted last October by the pit supervisors' union Nacods, as the basis for negotiations with the board.

The board deliberated for two hours yesterday before telling Mr Scargill that the offer could not be accepted.

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Labour angered
by Thatcher
terms for MI5
'tapping' inquiry

By Colin Brown
Political Staff

The Prime Minister yesterday ordered an inquiry into the allegations of telephone tapping by the security services but failed to damp down the controversy over the evidence presented in the Channel 4 television film MI5's Official Secrets.

Mr Leon Brittan, the Home Secretary, told the Commons that the inquiry would be carried out by Lord Bridge, the chairman of the Security Commission. He is being asked to report by next Wednesday, when the second reading of the Communications Bill is due to take place.

Mr Brittan said: "In the light of recent allegations the Prime Minister has asked Lord Bridge to examine the relevant papers to determine whether the procedures and criteria in the Birkett Report of 1987 and the White Paper of April 1980."

His announcement, given in a Commons answer, angered Labour MPs who protested that they were given little opportunity to question the Home Secretary closely.

The inquiry was immediately attacked as "inadequate and unsatisfactory" by Mr Gerald Kaufman, the shadow Home Secretary.

It was later made clear that Lord Bridge, aged 68, who was the trial judge in the Birmingham public house bombing case will not take evidence from the key witness in the 20/20 Vision programme, Cathy Massiter, a former MI5 officer, but will restrict his investigation to telephone tapping records.

As the allegations cover part of the period of office of previous governments, Mrs Thatcher will ask former Prime Ministers and Home Secretaries for their agreement for the papers covering their period of office to be reviewed.

This is likely to include two Labour prime ministers, Lord Wilson and Mr Callaghan, the former Conservative prime minister, Mr Heath, and the Labour Home Secretary, Mr Merlyn Rees.

In the Commons Mr Brittan said Lord Bridge's findings would be made public "so far as that can be done without damage to national security."

His main role will be to study whether the allegations made in the film breached the rules on telephone tapping. These are enshrined in three documents.

The first is the directive issued in 1952 by Sir David Maxwell-Fyfe, the Home Secretary, to the director general of the Security Service.

This said that the service should be kept "absolutely free from any political bias or influence" and that nothing should be done to suggest it was concerned with the interests of any particular section of the community or with any

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NEWS
IN BRIEF

Acas hope
on schools

ACAS conciliators were standing by yesterday as the teachers' dispute sank into bitter hostilities. Back page.

ICI earns £1bn

ICI has become the first British industrial company to earn more than £1 billion in a year. Page 19.

Mod land sale

THREE stretches of Ministry of Defence land on the edge of Moleworth cruise missile base are to be sold. Back page.

Church setback

THE murder of a pro-Solidarity priest halted progress towards recognition of the Roman Catholic Church in Poland. Cardinal Joseph Gilmour said in London yesterday. Page 3.

Aids toll grows

A TOTAL of 58 people have died as the AIDS epidemic gathers pace. Page 6.

Patients warning

A PROGRAMME to move nearly 100,000 mentally handicapped people from hospitals into the community, could be disastrous, a Commons committee warned yesterday. Page 3.

Cancer tests

A NATURAL cancer killer is to be tested on patients within the next three months. Page 2.

Younger image

THE image of the Soviet Politburo as a collection of grim and cautious old men is being dispelled by a new generation. Page 15. Chernenko on TV again. Page 11.

Post charges

REPRESENTATIVES of 120,000 postal workers meet next week to discuss changes in working methods and union power at the centre of ambitious plans for modernisation of the Post Office. Page 20.

Theatres attack

A MEETING of subsidised London theatres yesterday condemned the Arts Council as an instrument of the government. Back page; Stage fight, page 15.

Inla threat

BRITISH sportsmen were warned by the Irish National Liberation Army to expect bomb attacks if they visit Ulster. Page 4.

The weather

MILD with some rain. Details, back page.



Zimbabwe
grave find

From Reuters
in Harare

Zimbabwean authorities are examining two graves believed to contain the remains of six foreign tourists kidnapped in Matabeleland in July, 1982.

Sources here said that forensic scientists were checking dental records and other evidence at the sites, north of the Bulawayo city of Bulawayo.

The tourists—two Britons, two Australians and two Americans—aged between 19 and 35—were abducted after being stopped at a road block 50 miles north of Bulawayo on the main road to Victoria Falls, by a gang of heavily armed men on July 23, 1982.

Despite a concerted hunt by government forces at the time no trace of the six was found. The sources said it was not certain that the bodies in the graves were those of the tourists, but their families had been advised that it was likely.

The sources said that a rebel captured in a routine operation last week claimed to belong to the gang which had kidnapped the tourists and led authorities on Monday to the two sites.

Queen quoted and unquoted

By Alan Rusbridger

THE TIMES — once styled the "top persons' paper" — found itself in some difficulty yesterday in reporting a statement uttered by a very top person indeed, the Queen, during a visit to the newspaper.

The statement concerned the miners' strike. Mr Paul Roussett, the paper's Labour Editor, when asked what the Queen had said to him about Mr Scargill, replied: "I think she felt that the dispute was essentially promoted by Scargill." Mr Roussett said he had explained that matters were a little more complex than that.

But no sooner had Mr Roussett spilled the beans on BBC Radio about his conversation than his paper issued a statement categorically denying that that Queen had at any time said that the strike was promoted by Arthur Scargill. The paper then went further, quoting their own Mr Roussett as denying that the Queen had said what he had said she had said.

There ensued a period of close textual analysis by those who had heard, or claimed to have heard, or claimed to have overheard the remark in question. One version had the Queen saying: "It's all down to one man, really." Another source reported the remark as: "It's all down to one man's theory." ITN's reporter claimed it was: "It's all down to one man now, isn't it?"

The paper's editor, Mr Charles Douglas Home, a witness to the meeting, then added his own gloss of the conversation: "Our discussion at one moment did concern the fact that at present the focus seemed to be on one person — clearly Arthur Scargill." He told another interviewer: "She did not at

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Nicaragua to expel
100 Cuban advisers

From Tony Jenkins in
Managua, and Michael White
in Washington

Nicaragua's President, Mr Daniel Ortega, announced yesterday that 100 Cuban military advisers will be asked to leave the country, and declared an indefinite moratorium on the purchase of new weapons systems, including advanced fighter aircraft.

These conciliatory overtures towards the United States are not conditional on any reciprocal action by the US or by Nicaragua's Central American neighbours.

Initial reaction from the US was sharp and sceptical. The White House said that Mr Ortega had offered "change without substance" and Vice President George Bush denounced Nicaragua as another Libya on the American mainland.

But Nicaragua believes that it has regained the political initiative with its surprise package of unilateral concessions, calling Mr Reagan's bluff.

One senior Sandinista foreign relations planner said: "This initiative is carefully calculated to ensure that Reagan does not achieve a bipartisan consensus."

President Ortega said that he hoped the initiative would prompt Central American governments "to subscribe to the Contadora proposals" and the US to return to bilateral negotiations with Nicaragua.

He indicated that he would take "immediate practical steps" to solve the dispute about a Costa Rican national whose arrest in Managua caused the last Contadora meeting to be cancelled.

The Sandinistas admit to the presence of more than 6,000 Cubans in the country, but they claim that the vast majority are doctors and teachers. The US contention that more than 3,000 are advisers to the armed forces differs sharply from the 200 claimed by the Cuban leader, Dr Fidel Castro.

Mr Ortega flew to Montevideo yesterday to attend the inauguration of the Uruguayan president, Mr Julio Maria Sanguinetti.

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Security curb pledge

By Ian Aitken,
Political Editor

Mr Neil Kinnock gave formal and public notice last night that a Labour government would not only retain control over the surveillance activities of the security services but would impose them.

The Labour leader conceded that many of the allegations about MI5 activities made in the banned Channel 4 film involved the last Labour government.

But he declared that the only sanction against illegal activities by MI5 and other security agencies was the knowledge that there was another government on its way.

Mr Kinnock told a Westminster press conference: "If the security services, over a period of years, have abused their powers and the instruments at their disposal, then a government with the will can discover that — and to a great extent, severely impede it."

Asked whether that was a threat to MI5, he replied: "No, it is a promise."

Mr Kinnock was sceptical about the Bridge inquiry. He regarded the terms of reference as ambiguous, since it is unclear whether the investigations would be only on authorised telephone taps or whether unauthorised operations would be examined.

Last night he wrote to the Prime Minister requesting a clarification of this point.

Islanders exile the man from Paris

From Campbell Page
in Paris

In a faint echo of the French Revolutionary tradition 100 fishery workers in St Pierre-et-Miquelon, a tiny island in the Atlantic, turned on the Prefect and told him to get out of town.

Since St Pierre is one of eight islands in the French overseas department of St Pierre-et-Miquelon, 20 miles from Newfoundland, Mr Gerard Lefevre climbed on board his boat and sailed four miles to Miquelon.

Local radio reported the Prefect, displaced but dignified, would stay at his post unless the Government ordered him to leave.

St Pierre-et-Miquelon, with its 6,000 inhabitants, is clearly not a tropical paradise where trouble flares up in a daily picturesque way. It should also be noted that the invasion by the French was a slow and steady process. A hand-book notes that the vegetation is stunted, the climate harsh, the winter long and cold, and the summer short and chilly.

The islands are not unknown to history, but packed into a dense and dizzying footnote. The main feature is a slow game of imperialist ping-pong between the French and the British: settled by French fishermen in 1604, ceded to Britain in 1713, returned to France in 1763, seized by Britain in 1778, returned again to France in 1793, seized again by the British in 1803, returned once more to France 11 years later.

The archipelago then vanished in the fog until Wednesday when the fishery workers of the Interpeche company decided that they, rather than the dockers, should unload the fishing vessel, La Bretagne.

The dockers closed the port for five days. The fishery workers occupied the government offices to encourage the Prefect to take a firm decision.

Mr Lefevre, betrayed by the principles of rational administration, tried compromise: work-sharing, a division of the spoils, even compensation.

It was all too wet for the fishery workers. They marched him to the quay and sent him into near-exile. The police kept a low profile. "With a force of 20 or 25 what can you do against 100 angry men?" asked one official. A police officer said: "The Prefect asked us to do nothing which might make the situation worse."

Paris, which has more serious problems overseas in New Caledonia, has recalled Mr Lefevre for consultations, announced a special mission to St Pierre-et-Miquelon, and reminded the workers of the larger picture.

They should not jeopardise the economic future of the islands "at a time when France is engaged in difficult negotiations with Canada to protect the maritime interests of St Pierre-et-Miquelon."

The islanders are hard men. They cast another Prefect upon the waters in 1975. On that occasion Paris sent extra policemen.

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ANYONE ELSE?



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THOMAS LLOYD, ABERGORKNEY ESTATE, TREORCHY, WALES CF42 6DL

Routine case sets out radical ground over terror suspects

Judge's ruling eases Dublin extraditions

From Joe Joyce in Dublin

A decision which eases the extradition of terrorist suspects from the Irish Republic was announced by Dublin's new chief justice, Mr Thomas Finlay, in an apparently routine case yesterday.

He and two Supreme Court colleagues ordered the return to London of Mr John Quinn, an Irishman accused of obtaining £600 from Barclays Bank by false pretences.

But Mr Finlay's judgment set out a radical new ground for the extradition of people who claimed immunity on the grounds that their offences were political.

His ruling indicates the willingness of the Irish Supreme Court to return suspects for trial on terrorist-related offences. His predecessor, Mr Justice Tom O'Higgins, refused last year over the return of the first two men extradited to Northern Ireland.

Mr Justice O'Higgins had decided that a political offence had to be defined in relation to the actual crime alleged to have been committed, but the chief justice went much further in his judgment yesterday.

For much of the present Northern Ireland troubles the Irish courts had accepted that membership of groups like the IRA conferred political motivation on members. But Mr Finlay's decision seems to suggest that such membership may become a reason for extradition rather than a justification against it.

He declared that the Irish constitution could not be used to grant immunity to members of an organisation whose aim

was the overthrow by force of that same constitution.

The decision came about through the circumstances of Mr Quinn's case. He claimed that he was a member of the Irish National Liberation Army (INLA), and that the offence he was charged with was committed on its behalf.

The INLA's aim was the establishment by force of an all-Ireland workers republic. He said the money involved had been given to another INLA member.

Mr Finlay declared that the concept of immunity from extradition for political offences had evolved from the idea of political asylum. It was intended to prevent the unjustified surrender of a political refugee to his political enemies.

He said it had to be presumed that the Irish Parliament did not intend the Extradition Act to be interpreted in a way which would offend the constitution. The achievement of the INLA's objective required the destruction of the constitution by means which it prohibited.

"To interpret the words 'political offence' so as to grant immunity to a person charged with an offence directly intended to further that objective would be to give the section of the act a patently unconstitutional construction."

"This court cannot, it seems to me, interpret an act as having the intention to grant immunity from extradition to a person charged with an offence the admitted purpose of which is to further or facilitate the overthrow by violence of the constitution and of the organs of the state established thereby."

Rates limit threat to advice service

By Malcolm Dean

The largest free advice service in the country could be cut by one third in the next two years, according to the National Association of Citizens Advice Bureaux.

Ms Elizabeth Filkin, director of the association, told a press conference in London yesterday that on a conservative estimate some 100 bureaux were threatened because of the Government's squeeze on local authority finance and the abolition of the metropolitan authorities.

There are more than 900 bureaux in the country. The 100 facing the threat are in inner city and urban areas, where the demand for advice is far heavier. More than 5 million inquiries were received last year with three categories of advice: consumer and consumer affairs — each getting over one million.

Ms Filkin said there were 174 bureaux in rate-capped local authorities, 284 in the six metropolitan authorities due to be abolished and 100 in rate-limited authorities. The metropolitan councils alone provided £1 million of the £10 million for the service from local government last year.

The latest threat comes just a year after the publication of the Lovelock report, clearing

the bureau of the charge of political bias made by the former government minister for consumer affairs, Sir Gerard Vaughan.

He found himself attacked from all sides — many of the 13,000 volunteers in the service are Conservative supporters — and the Government ended up ready to increase the asset meeting a real need and £5 million central budget by £1 million. Lovelock concluded that the service was a national earning widespread respect.

"We know the Government support Cabs in principle but they have still failed to recognise the threat we are under from the financial squeeze on local authorities," said Ms Filkin.

The association has asked for help with a budget to allow it to help local authorities being asked to take over bureau premises and staff by metropolitan authorities during the transition stage. The Government is refusing the request.

The biggest increase in the service's work has been with social security inquiries. Officials expect that during the last year there was no legal aid for social security appeals but where a local bureau or other group provided representation, the chance of a favourable decision was twice as high.

Government's majority on GLC bill is cut to 3

By John Carvel Local Government Correspondent

The Government's majority on the GLC abolition bill committee was cut from three yesterday on an amendment which would re-create an elected body to look after London-wide affairs.

It was the Government's worst showing so far during the committee stage of the bill, which seeks to abolish the GLC and six metropolitan counties, and disperse their functions to borough and district councils, joint boards, and quangos.

The vote gave ministers a clear signal of the trouble they may have convincing Tory MPs and peers when the bill returns to the floor of the

Commons and proceeds to the House of Lords.

Pressure for some sort of elected London assembly reduced the Government's majority to 3 during the last debate on the floor of the House, and the issue will become the main focus of dissent as the legislation progresses.

The amendment was moved by two Tory MPs, Mr Patrick Ground, Feltham and Heston, and Mr Edward Leigh, Gainsborough and Horncastle, and was supported by another Tory, Mr Christopher Hawkins, High Peak, as well as Labour and Alliance MPs.

With two Labour MPs and several Tories absent, the Government won the vote by only 22 to 19.

Videos of MI5 film are cleared

By Gareth Parry

THE banned Channel Four television documentary on MI5's allegedly illegal surveillance methods, which prompted yesterday's announcement of a Government inquiry, will be shown at a number of cinemas, and on video tape today. The move follows indications that the Attorney-General will not prosecute the film-makers under the Official Secrets Act.

The Independent Broadcasting Authority, which last Wednesday banned the showing of the 20/20 Vision film, MI5's Official Secrets, said, however, that it would not reconsider its decision until a firm statement had been made by the Attorney-General.

The film will be shown at various cinemas in London,

Brighton, Oxford and Bath, while Channel Four will market VHS and Betamax video copies.

Ms Claudia Milne, the programme's producer, said that the IBA would be asked to lift its ban. The IBA is to make its final decision on the film next Wednesday, after initially banning it for a week.

The Attorney-General's department has studied a print of MI5's Official Secrets, obtained from Channel Four by a police officer acting for the Director of Public Prosecutions.

It was not clear last night whether Mr Cuthbert, the MI5 agent responsible for the film, made in the film, called to give evidence before the inquiry by

Lord Bridge announced yesterday by the Government.

Mr Milne said yesterday that she saw no reason why the film could not be televised immediately in Britain, particularly as clips had already been shown in Germany, Holland and the United States.

CND has written to the Home Secretary, Mr Leon Brittan demanding to see

Leader comment, page 14

files alleged to have drawn up on the chairman, Joan Ruckelshaus, the general secretary, Mr Bruce Kent, and the vice-chairman, Roger Spiller. The programme also alleged that CND had been infiltrated by an MI5 plant, a well-known left-wing college lecturer, Mr Harry New-

ton — a suggestion hotly disputed by many of Mr Newton's friends and colleagues. Mr Newton died in 1983.

The housing charity, Shelter, is also seeking a Government statement over claims that it too was under MI5 surveillance, which with the alleged spying on CND, would have been in breach of MI5's "charter" of operations.

The Government inquiry was criticised as a smoke screen yesterday by the Labour MP, Harriet Harman, who was alleged to have been put under surveillance before she was elected to Parliament.

Miss Harman said that the terms of reference did not cover other forms of electronic surveillance. She called for parliamentary

accountability of the security services, which should not be used as "Government private political snoops."

A trade union leader named in the film, Mr Ken Gill, the general secretary of TASS, said yesterday that he believed his home had been bugged, in addition to his telephone being tapped.

One of the MPs who campaigned for the film to be shown, John Cartwright, the SDP chief whip, said the announcement of the inquiry should force the IBA to end its ban on the film.

"The public needs to know what allegations have been made, so they can judge the findings for Lord Bridge's inquiry properly. The Government should stop hiding behind the IBA," he said.

Work set to restart at pits in danger

By Peter Hetherington

THE National Coal Board is preparing to resume production or development work in at least three of the threatened pits at the forefront of the National Union of Mineworkers' campaign against pit closures.

With the drift back to work continuing, the union's leaders can at least console themselves with the knowledge that most — if not all — of these pits would be closed but for the year-long strike.

Indeed the NUM president, Mr Arthur Scargill, claimed last night that the board's decision to lift temporarily the threat to these pits, and place any future closure plans through the new review procedure, marked a significant concession by the board.

The pits are Polmaise, in Scotland; Cortonwood, South Yorkshire; and Herrington, Dur-



The Midlands delegate, Mr Jim Colgan, is lobbied by striking miners yesterday on his arrival for the NUM executive meeting in Sheffield

ham; Bulcliffe Wood, near Barnsley; and Snowdown, Kent.

During the dispute the collieries — notably Cortonwood, which triggered the strike — have become the symbols of resistance in the essential rallying call for jobs and pit communities and countless speeches by Mr Scargill and his associates. Their colourful banners have been in the vanguard of many marches and demonstrations throughout the country.

Now, ironically, Cortonwood is probably more vulnerable than the rest through geological deterioration, which the National Coal Board blames on the stoppage.

It claims that two of the three coal faces at the pit are in a serious state of deterioration through lack of maintenance.

But the other collieries are generally in a better condition, and at Herrington, near Sunderland, the board says that more than 77 per cent of the miners (497 men) have returned to work.

The pit was scheduled for closure last August after the board failed to reach agree-

ment with the NUM to reduce manpower by 200 to 300. The unions appealed, and the Herrington case — like that of the other collieries — was passing through the industry's review procedure when the strike started. The closure plans have now been overtaken by events.

Although only one face at Herrington is in operation — another was lost through deterioration several months ago — the NCB has begun preliminary work with a view to extending production elsewhere in the pit. Mr Joe Stokoe, the former NUM local chairman, who returned to work early this year and was subsequently expelled by the NUM, insists: "Management have told me my job is secure, and that the colliery is safe."

But the Durham NUM claimer was lost through deterioration several months ago — the NCB has begun preliminary work with a view to extending production elsewhere in the pit. Mr Joe Stokoe, the former NUM local chairman, who returned to work early this year and was subsequently expelled by the NUM, insists: "Management have told me my job is secure, and that the colliery is safe."

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£25 million development programme driving towards new reserves under the Firth of Forth. It blamed the economic situation and a geological fault in the coal seam.

Now the board has removed tunnelling machinery from the pit and installed a specialised mechanical shovel in an attempt to break through the fault after it has been blasted with explosives.

A board spokesman said: "We believe it will be very difficult to make anything of Polmaise, but obviously we stand by the agreement made with Nacoda, the deputies' union, that colliery closure have to be submitted through a new review procedure. If and when there is a resumption of work, we will be resuming work in the colliery until a decision is made through the new procedure."

Snowdown Colliery, in the tiny Kent coalfield, was said by the board to be in the midst of a £3.5 million development scheme, involving two drifts, when the strike began. Only one face at the pit, employing 438 men, is in operation. The board said yesterday: "It is not scheduled for closure, and we don't know why it is on a union hit list."

The board's Barnsley area wanted to close the pit, a drift mine, and concentrate production at the nearby new Calder Drift after spending £27 million on development. To keep the Bulcliffe workforce intact the board asked miners at the nearby Denby Grange colliery to reallocate some reserves to the Bulcliffe men. The Denby miners objected, and staged an underground picket to keep out the other miners.

"We then had no alternative but to announce the closure of Bulcliffe Wood because of the intransigence of the Denby men," the board said yesterday. On March 2 last year, just before the strike, the board announced that it would be calling an early review meeting to discuss the closure.

OBITUARY

Band leader for the Goon Show

RAY Ellington, the band leader, has died in hospital in London of cancer. He was 68. Between the world wars he was Harry Roy's drummer and in 1948 he and his wife, Ray Ellington Quartet played over the world. He was associated musically with the Goon Show.

H. Cabot Lodge

HENRY Cabot Lodge, the former US vice-presidential candidate and Ambassador to Saigon, has died, aged 82. He was defeated in his attempt to get the republican presidential nomination which went to Richard Nixon.

Appreciation, page 8.

Imports of coal doubled in 1984

By Michael Smith, Industrial Editor

Imports of foreign coal into Britain doubled to 3.99 million tonnes last year.

Department of Energy statistics show that imports grew from 4.46 million tonnes in 1983, as consumers sought to overcome the effects of the pit strike for 10 months of the year.

Although the DOE does not break down the figures by country, it is known that America, Australia, Poland and Germany were the principal importers in 1984. Supplies were brought in from France, Belgium and South Africa.

The DOE revealed that coal production in Britain last year fell to 51 million tonnes, about 57 per cent below the 1983 output of 119.25 million tonnes.

Coal stocks had fallen sharply to 20.3 million tonnes by the end of 1984, with distributed stocks 17.1 million tonnes lower and undistributed stocks 2.2 million tonnes down at 20.7 million tonnes.

The Chief Constable of Nottinghamshire, Mr Charles McGeehan, is to be sued for wrongful arrest and false imprisonment by 70 miners after charges of unlawful assembly against 30 South Yorkshire miners who were arrested at Harworth colliery, last August.

Miners' remarks had been misleading but his solicitor, Brian Raymond, said that he did not know who was making the allegations or what they amounted to.

"As the factual evidence of the two Ministry of Defence police officers in the case conflicted with Mr Ponting's testimony and the jury indicated their preference for Mr Ponting's version by acquitting him, the Ministry of Defence may not be the best people to deal with these issues in an objective and disinterested fashion," he said.

The Ministry police had not asked to interview his client and had not been open about what was being suggested. He said he was also puzzled that

Ponting lawyers puzzled by MoD 'perjury' report

By Richard Norton-Taylor

Lawyers acting for Mr Clive Ponting responded gruffly yesterday to statements by the Ministry of Defence — the ex-civil servant's department — that its head of police, Mr John Bailey, had sent an interim report about allegations of perjury during his trial to the Director of Public Prosecutions.

Officials claimed that Mr Bailey's remarks had been misleading but his solicitor, Brian Raymond, said that he did not know who was making the allegations or what they amounted to.

"As the factual evidence of the two Ministry of Defence police officers in the case conflicted with Mr Ponting's testimony and the jury indicated their preference for Mr Ponting's version by acquitting him, the Ministry of Defence may not be the best people to deal with these issues in an objective and disinterested fashion," he said.

The Ministry police had not asked to interview his client and had not been open about what was being suggested. He said he was also puzzled that

the report to the DPP should be made by the Ministry of Defence rather than the ordinary police.

Ministry officials, who do not want to be quoted, said that the allegations relate to an anonymous note Mr Ponting sent to the Labour MP, Mr Tim Dalyell, on April 24 last year.

Mr George Foulkes, a Labour foreign affairs spokesman, who earlier this week alleged that the Defence Secretary, Mr Michael Heseltine, had tried to stir Mr Ponting's character by releasing highly selective documents to MPs about the affair, has asked the Government to release all the minutes given to the jury.

He has asked for documents showing that Mr Ponting received clearance from senior naval officers to declassify material as well as the note Mr Francis Pym, Foreign Secretary during the Falklands conflict, sent to the war cabinet expressing concern about the legality of wages in the rules of engagement.

By Richard Norton-Taylor

A civil servant's loyalty to the government must ultimately depend on what ministers ask them to do, according to Professor Bernard Williams, the eminent philosopher and Provost of King's College, Cambridge.

His challenge to the Thatcher administration's attitude towards civil servants was made during a speech at a meeting organised by the Royal Institute of Public Administration on the theme, "Whistle-Blowing in the Public Sector."

Earlier this week Sir Robert Armstrong, the Cabinet Secretary, laid down a code of conduct for civil servants which

Seamen produce police file on strike

By Colin Brown, Political Staff

Further evidence of Special Branch surveillance of the National Union of Seamen was offered by the union's general secretary, Mr Jim Slater, yesterday.

Mr Slater delivered a dossier at a press conference in the Commons, called yesterday because the all-party home affairs select committee had taken evidence from trade unions as part of its inquiry into the special branch.

Mr Slater said in a statement that the information had become available from files on earlier disputes when he became general secretary. He produced reports based on inquiries from the Department of Immigration, Canberra, a diary of events including information provided by the special branch; and an extract from a report disclosing information which, he said, was gleaned after two searches of someone's personal effects.

Much of the information stemmed from the 1983 men's strike, during which the then Labour Prime Minister Mr Harold Wilson, described the union leaders as a "tightly knit group of politically motivated men."

Three Labour members of the Commons select committee attended the meeting with one Tory member, Mr Jeremy Hargreaves, the MP for Richmond, and Barnes. He said the evidence would have greater weight if it were not more than 30 years old. But Mr Slater said he believed that the surveillance was continuing and that evidence was rarely obtained.

Mr Slater said: "I also have a document giving details of the political abolition of 28 individuals which I believe could only have been prepared with the aid of information from the Special Branch. Because many of these individuals are still alive, I feel unable to make this document public, although I would be prepared to show it in confidence to the select committee."

Among the evidence he produced was a report about Gordon Norris, a prominent trade union official during the seamen's strike. It described meetings which took place in 1982 at Cannon Row, London, for such answers to be interrupted by points of order (bribe or otherwise), cat-calls, and associated ribaldry, that one can see no means of being certain that a held most weeks."

The general secretary of the AUEW's Technical, Administrative, Mr Ken Gill, who was named in the 20/20 Vision programme about MI5 surveillance, said he was shocked to find in the programme that his home had been broken into. Asked if he believed that his home was bugged rather than the telephone tapped, he said: "That is right."

2. Question 14 was due to be asked by Dennis Skinner. Mr Brittan, despite this much-repeated tactic, did not emerge unscathed.

Having been set upon when he made the announcement by Mr Kaufman, the Social Democrats' Bob Mellish, and accomplices, he then went over again in a session of points of order, some Tories got into the act as well though, as on Monday they mostly gave the impression that the odd excess of zeal in keeping tabs on groups like the CND did not exactly come amiss.

A senior Tory back-bencher, Sir Anthony Kershaw, assured the Home Secretary that if the security service was not keeping a close eye on some of those people he would be wanting his money back.

That intervention, as it happened, came up on question 14 for a some curious suspension of the law of averages which might well interest MI5, this turned out to be one occasion when the Commons got that far down the list.

Dennis Skinner's question was about a couple living near the Media Centre whose friends had been surprised to find their telephone calls fielded by an answering machine, a fact which surprised the couple even more since they did not possess one.

Mr Brittan refused to discuss individual cases but assured Mr Skinner that the interception of Communications Bill, due for second reading next week, would provide for such safeguards "which certainly did not exist when your government was in power."

"Dennis was unassured," he said.

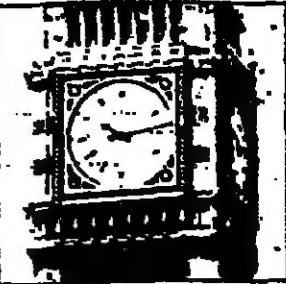
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David McKie

Brittan's ploy sets Kaufman off again

LABOUR'S Home Affairs spokesman, Gerald Kaufman, was an angry man when the Home Secretary made his announcement on alleged malpractice in the security services in the Commons yesterday.

He had seen him since — well, since the Home Secretary failed to make an announcement on alleged malpractice in the security services on Monday.

It was not so much the content which riled him, though he certainly had a deep suspicion about that: it was rather the skulking, underhand fashion, as he saw it, in which Leon Brittan had juggled the statement into the House.

Mr Brittan made the announcement not as a formal statement to the Commons — which would have been publicised beforehand, ensuring a good attendance, and which would have opened him up to a good hour of interrogation — but in the course of Home Office questions, and at a point in those proceedings which look almost too surprising.

Question number 4, from Mr Ann Clwyd (Lab, Cynon Valley), asked how many complaints about police behaviour had been received during the miners' strike.

Good, one might have thought for a few comparative statistics; a last look back at picket lines and even the mildest possible gloat over the number returning to work.

But then came a supplementary question from Michael Mates (C, Hampshire East) — exactly the sort of person, Labour MPs suspected, on whom a Home Secretary in a spot of bother might choose to plant a carefully primed question.

Immediately Leon was away. "Lord Bridge to Investigate... relevant papers... White paper of 1980..."

Why had he not waited, people wondered, until question 14, which looked squarely connected with the Minister's MI5 allegations? There were two plausible answers to this.

1. It is a sad fact of present day parliamentary life, but one which, as realists, we must perforce accept, that the inordinate length of so many of today's supplementary questions, together with the hour and detailed answers which ministers, rightly or wrongly, feel it incumbent on them to provide, allied to the regrettable tendency — possibly enhanced by the admission of the CND to the Commons — for such answers to be interrupted by points of order (bribe or otherwise), cat-calls, and associated ribaldry, that one can see no means of being certain that a held most weeks."

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INLA threat to sport in Ulster

From Paul Johnson in Belfast

The Irish National Liberation Army warned yesterday that British sportsmen who visit the province from now on do so at their own risk.

The INLA threat came after a bomb exploded near the Windsor Park stadium in Belfast after Wednesday evening's England-Northern Ireland soccer international.

Police had been alerted about the bomb, which was in a van, and there were no injuries. A spokesman for the Royal Ulster Constabulary said yesterday that if it had gone off prematurely there could have been casualties among the thousands of fans making their way from the ground.

The warning is significant because it is aimed at disrupting international sporting links. The INLA, which has a reputation for being even more brutally indiscriminate than the IRA, said in a coded message: "There will be no more warnings. Next time we will bomb to kill. This will show the British the futility of their attempt at normalisation."

British athletes are due to compete in Antrim in the UK Championships on May 25 and 26 and the British Amateur Athletics Board sees no reason to change the arrangements.

Mary Topholme, its assistant secretary, said: "We held very successful championships in Antrim in 1981, and this year's will certainly go ahead in the same venue and be equally successful, we hope. These are individual championships, and no team as such is represented."

Two motor rallies are also due to be held in Ulster this year — the Circuit of Ireland starting in Belfast on Good Friday and ending there on April 9, and the Ulster Rally on July 26 and 27.

Sports officials in the province fear there could be a return to the situation of the early 1970s, when most international teams and many individual sportsmen would not compete in Northern Ireland because of the fear of violence.

Frank Keating, page 24

IRA boy's 'mission'

From Paul Johnson in Belfast

The three IRA youths shot dead by British soldiers in Strabane, Northern Ireland, last week were on their way home after abandoning a mission, the provisional Sinn Féin newspaper, *An Phoblacht*, claimed yesterday.

The newspaper also alleged that the British soldiers did not challenge the three—who included a 16-year-old schoolboy—but simply opened fire, "riddling them with at least a hundred bullets."

Those who died were Charles Breslin, aged 20, David Devine, aged 16, and his brother, Michael, aged 22. Sixteen is the minimum age for joining the IRA and some

of David Devine's background is outlined in the paper. "He was politically aware from an early age and missed no opportunity to explain and argue the Republican viewpoint," it said.

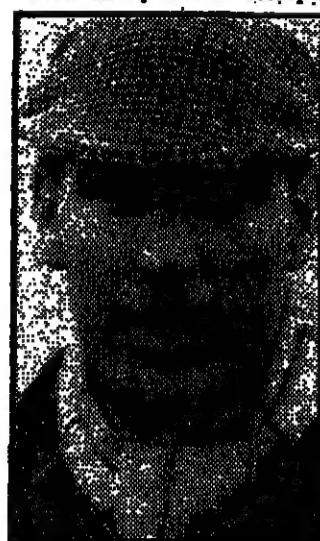
"At the age of 14 David joined Fionna Eireann (the junior IRA) and worked energetically with local IRA units who developed great trust in his scouting ability and in his intelligence-gathering."

"About six months ago he became an IRA volunteer and from then on took an active part in IRA operations."

Three rifles, two grenade-launchers and two grenade-style projectiles were recovered from the scene of the shooting.



HOT PURSUIT: A dog closing on a hare during this week's Waterloo Cup meeting at Aitcar, Lancashire, which was attended by large numbers of anti-blood sports demonstrators (below, left). The protesters' activities were condemned by the event's spokesman, Sir Mark Prescott, (below, right), who claimed that they increase the number of hares killed on the course.



Protests 'add to hare deaths'

Hare coursing's popularity defies the opposition. James Lewis reports

ONE of the best attended Waterloo Cup meetings since the war ended yesterday at Great Aitcar in Lancashire with organisers and hare coursing protesters still in full cry.

Sir Mark Prescott, the event's official spokesman, claimed that the activities of demonstrators in trying to scare hares away from the course only succeeded in increasing the numbers of hares killed — a suggestion dismissed as "feeble propaganda" by Diana Jones of the RSPCA.

The pastime's enthusiasts have asserted that successive government inquiries that only about 10 per cent of hares beaten onto the course are killed by dogs, but when they became tired and disorientated by the noise of demonstrators they are much easier prey.

In the Waterloo Cup a pair of greyhounds pursues a hare which has been driven onto the course by a staff of beaters. The hare is given a clear run of 60-80 yards before the dogs are released. The greyhounds are judged on performance, as well as on their success in catching the hare.

Out of the 85 courses run on Tuesday, five of the nine hares killed were caught when the demonstrators were doing their damndest with hunting horns, whistles, loud-blasters, thunderclashes and flares. Hares escaped from the first 18 courses on Wednesday, but were killed on the next two when the protesters were again in full voice.

According to Sir Mark, "that's all the evidence you need. We, the wicked sadists, want the hares to live while they, the warm, cuddly ani-

mal lovers, are getting them killed."

He also advanced the argument, endorsed by the Game Conservancy, that it is only on hare coursing estates like that of Lord Leverhulme at Aitcar that the national decline in the hare population has been arrested because they are preserved from shoots and the toxic hazards of modern agriculture. Sir Mark added: "If you were a little hare, you'd be mad keen on coursing."

Such an attitude is guaranteed to infuriate the demonstrators who each year intensify their efforts to frustrate what they condemn as an indefensibly cruel pursuit.

A hundred years ago the same fields at Aitcar, could attract as many as 80,000 people. With the advent of the electric hare spectators and bookmakers alike abandoned the damp and windy Lancashire fields for the comfort of the stadium, and audiences dwindled rapidly. However, this year's attendance of about 10,000 promises to be a post-war record.

This, paradoxically, is in spite of the growth of the anti-hunting lobby which has industrial support locally from a growing number of MPs.

The Roman Catholic Archbishop of Liverpool, Dr Derek Worlock, and the Merseyside Ecumenical Council.

Sir Mark says it is illogical that opponents should focus on the Waterloo Cup while ignoring the other 37 days of coursing which were run last year by 19 clubs up and down the country, in which 310 hares were killed, compared with 349,000 shot annually for control purposes.

Governments accused in animal cruelty complaint

By Rosemary Collins, Agriculture Correspondent

A formal complaint that the British and French governments are failing to implement rules safeguarding animals exported for slaughter has been lodged by the Royal Society for the Prevention of Cruelty to Animals with the EEC Commission.

Teams of RSPCA inspectors have trailed at least 140 consignments of live animals, according to Mr Frank Milner of the society's special investigations department. "In 56 cases the journey lasted over 18 hours," he said. "But only one stopped to feed and water the animals. Nearly half the journeys lasted for more than 24 hours without stopping and some lasted for as long as 36, 48 or, in one case, 66 hours."

To qualify for a licence to

export animals, hauliers must acknowledge that they will be fed and watered at an agreed stopping post on journeys likely to last more than 18 hours.

The Society's assistant legal officer, Katherine Muriel, believes that the complaint has been drafted in such a way as to minimise delay. Sometimes, cases before the commission take several years to investigate.

Miss Muriel said the society was convinced that the two national governments wanted to sweep the matter under the carpet.

"It seemed clear that the European approach would be the right one. A detailed study of the law showed that the UK and the French were both failing in their obligations to implement and enforce the EEC system. The obvious course was to take the matter to the EEC commission," she said.

Millionaires 'get most farm aid'

By Rosemary Collins, Agriculture Correspondent

The 10,000 biggest farmers in Britain, all millionaires already, receive half of all the public subsidy devoted to agriculture, Mr Richard Body, MP, said yesterday.

At the same time between 3,000 and 4,000 small farmers go out of business, through bankruptcy or by selling up because of declining income, each year.

Mr Body, Conservative MP for Holland with Boston, was presiding over the re-launching of the Small Farmers' Association, an organisation set up in 1979 to promote the interests of family-run farms but whose membership still falls short of 200.

"We want to stop the belief that small farmers are inefficient or unviable," Mr Body said. "A generation or two ago many of today's small farmers would have been large farmers, on their 150 or 200 acres."

Mr Body is a long-standing critic of the EEC farm policy, and the statistics with which he illustrates his arguments are generally denied by both sides in the farm versus environment debate.

The official spokesmen of the Labour, Liberal and Ulster Unionist parties all lend their names to his manifesto for the family farm.

The invisible women

By Michael Parkin

Britain's first centre for research on women is to be set up at Bradford University with the help of a grant of £175,000 from West Yorkshire Metropolitan County Council. Its purpose will be "to make visible the 51 per cent of the population that remains invisible."

The council expects also to provide some of the running costs for the centre.

Professor Hilary Rose, who will be the centre's director, said that it would discuss with county council some of the enormous amount of research needed on women.

Projects to be considered for the centre include the new awareness and activity among miners' wives, women's needs as pedestrians and bus passengers, domestic violence; the effect of the recession on women, women and health, and the problems of black women.

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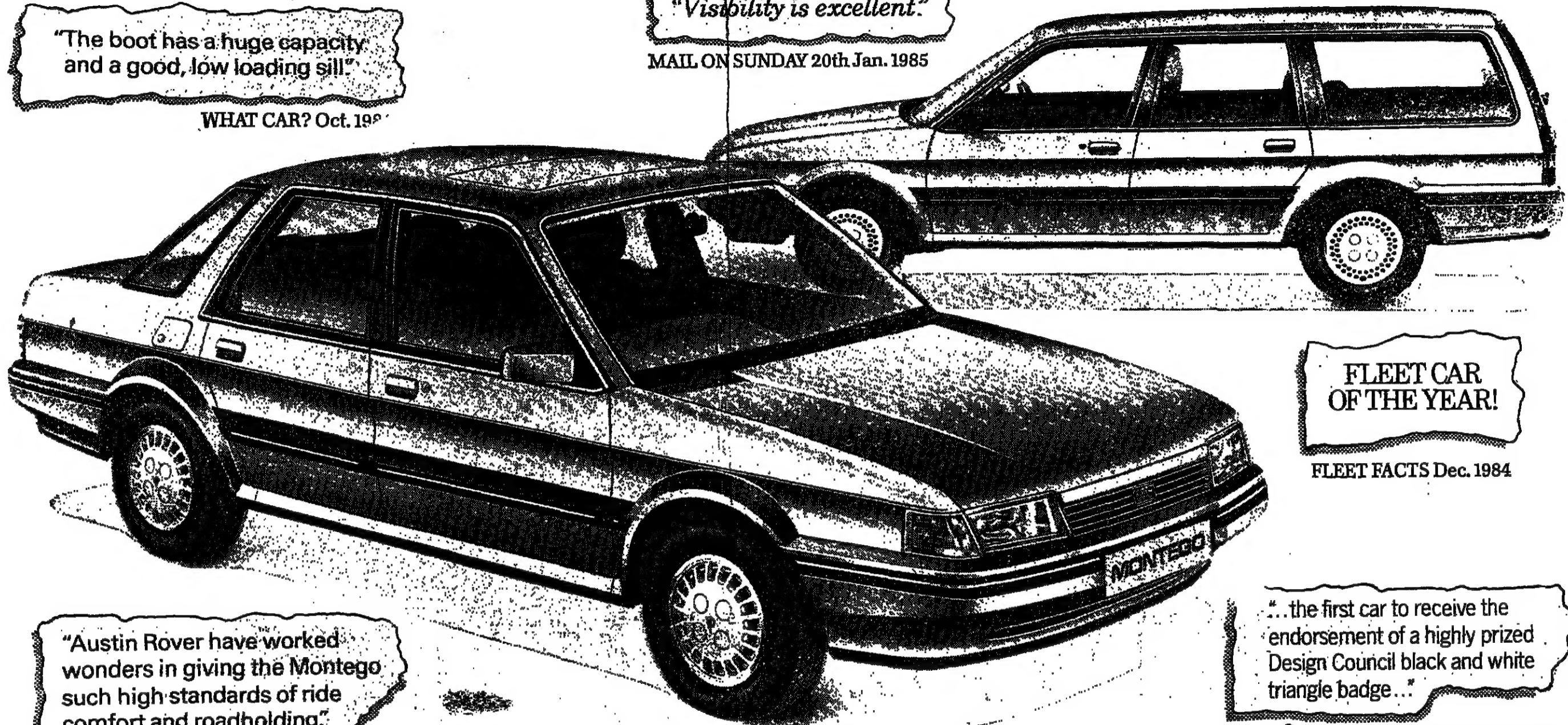
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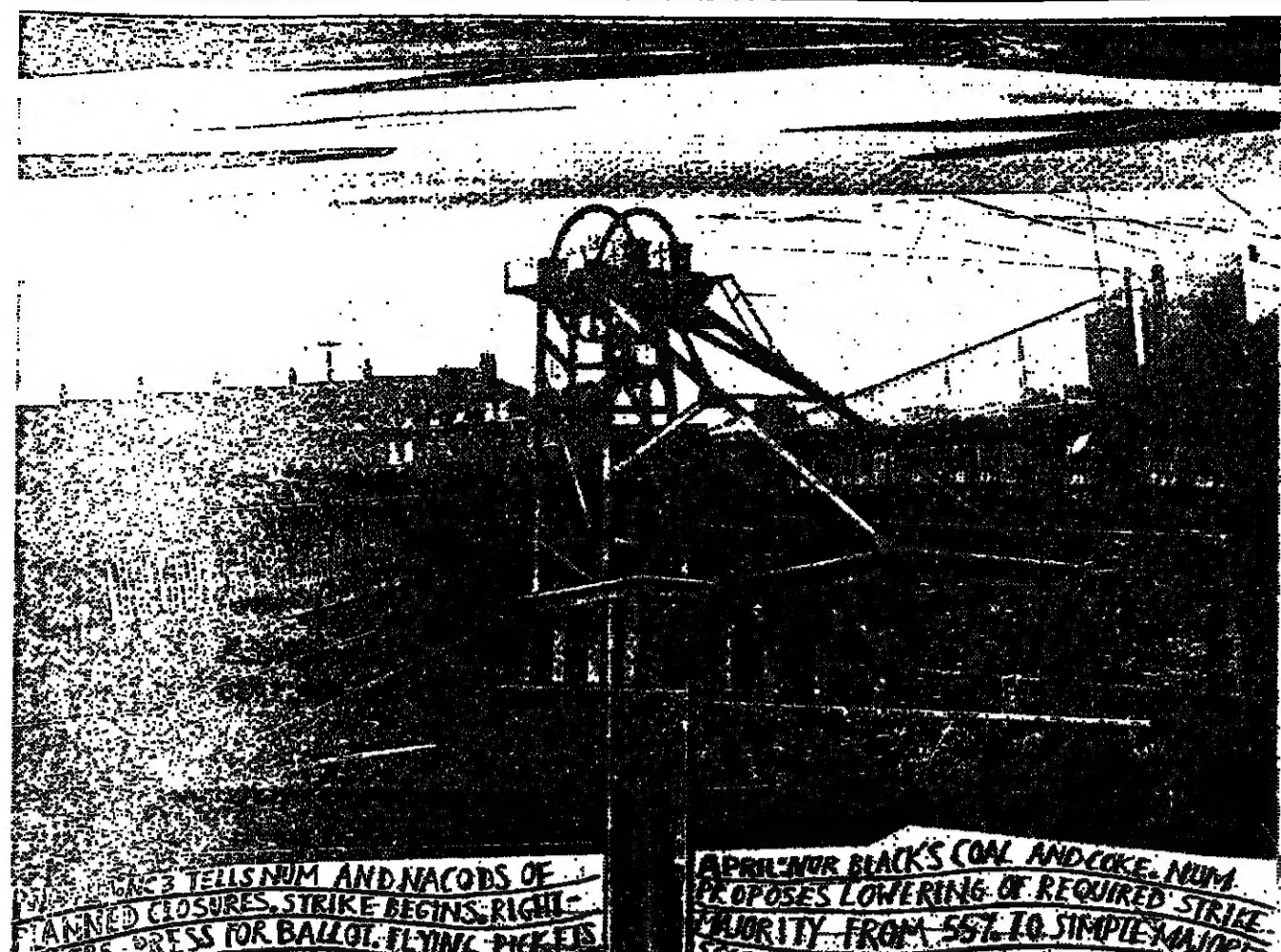
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SCARGILL TELLS NUM AND NACODS OF
PLANNED CLOSURES. STRIKE BEGINS. RIGGS
PICKETS PRESS FOR BALLOT. FLYING PICKETS
ENFORCE STRIKE. GOVERNMENT WILL NOT
INTERVENE. NOT IS MINERS' CARTON WORKING.
MASSIVE POLICE PRESENCE AT MIDLAND
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NUM'S LETTERS GIVE BASIS FOR NEW TALKS.
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THE MINERS' STRIKE

Britain's pit of bitterness

Tonight, one year into the strike, leading current affairs teams come together to assess the effect on the coal industry and the country of the strike. It is a battle for a generation, and the background of a dispute which has set father against son, and family against family.

on the human dimension. ITV teams in Cardiff, Glasgow, Leeds, Newcastle and Birmingham seek to answer the question — what is the future of the industry now? Brian Walden, with a team from Weekend World and a panel of leading politicians, reports on the effect of the strike on the nation and the lessons to be learned for the future.

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RESCHEDULING OF CLOSURES. KINNAIR
QUEST FOR BALLOT NUM SEEKS WIDER
BACKING. THATCHER REJECTS INTERVENTION.

NUM'S STRIKE POSSES UP OIL AND GAS PRICES.
ACTIVE GOVERNMENT ROLE IN DISPUTE. LEADS
NUM AND NUM STILL FAR APART. NUM'S
END IN STATEMENT. NUM'S END IN STATEMENT.
NUM'S END IN STATEMENT. NUM'S END IN STATEMENT.

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ACTIVE GOVERNMENT ROLE IN DISPUTE. LEADS
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ANIMAL MAGIC: Maela Forrester, aged eight, from Thames Ditton, Surrey, examines a specimen pine marten in an exhibition for the blind at the Natural History Museum in London. The show is aimed at helping the blind to recognise mammals from their touch. It opens today and runs until March 31. Picture by Kenneth Saunders

Aids figures show biggest rise so far as 14 cases are confirmed

Figures released by the Department of Health yesterday show that 132 cases of Aids had been confirmed by the end of February — an extra 14 victims in four weeks, the biggest monthly rise so far. Another six patients have died, bringing the total of deaths to 58.

The department said that all the new patients are homosexual men, and most are from London. This suggests that the figures may be incomplete, as the latest Aids patient is a woman being treated at Orsett Hospital, near Basildon, Essex. The figures bear out predictions that the number of cases would double every six months: last August's total was 61. By the end of this year hospitals will be treating some 400 Aids patients and another 2,000 suffering from the Aids-related condition, persistent generalised lymphadenopathy (swollen lymph glands), three leading Aids specialists, Professor Michael Adler, Dr Tony Fincham, and Dr Richard Tedder, report today in the British Medical Journal.

The cost of treating Aids patients is so high — \$42,000

each in the United States — that hospitals may not be able to cope without extra funds, say the specialists, all of whom are members of the Department of Health's Aids advisory group.

They are concerned that the guidelines on treating Aids patients and handling samples drawn up by the department's Advisory Committee on Dangerous Pathogens may cost too much because they are so stringent.

Hospitals must be given the resources to implement the measures without delay or the guidelines must be made less stringent, say the doctors, from the Middlesex and St Mary's Hospital, London.

"We know of several hospitals, including teaching hospitals, that have sought to transfer patients to other centres because their laboratory staff are not prepared, or not able, to offer a basic diagnostic service for these patients. Such problems and attitudes will be a health care professional's," say the specialists.

The amount and degree of unnecessary stress and hardship that a fair number of our donors and their families

would thus have to undergo is unacceptable," the Blood transfusion Service directors say today.

Commercial kits due to be marketed this year for screening blood donors for antibodies to the Aids virus are so inaccurate that many donors will be misled into thinking that they have been infected by Aids, and the blood supply for hospitals might be substantially reduced.

This warning comes in the Lancet from 18 directors of blood transfusion centres throughout Britain.

The health minister Mr Kenneth Clarke, said last week that the need for screening blood donations for Aids was so urgent that the Department of Health would take the first decent test it could find. Trials of kits produced by American firms are due to start within the few months.

But reports in the Lancet have shown that the US kits give massive numbers of false positive results. The latest report, also published today, shows that out of 93 blood samples supposedly positive on a commercial test, only one sample was subsequently confirmed as having antibodies to the virus.

Drink driving verdict rejected



Mr Justice Otton: 'evidence admissible'

Two High Court judges in London yesterday ruled that magistrates in Bridgend, Glamorgan, had exercised their discretion wrongly in ruling that a woman accused of a drink-driving offence had no case to answer because her rights had been violated by the police.

In ordering the magistrates to continue hearing the case Mr Justice Otton, allowing a police appeal against the quittal, held that breath sample evidence, properly obtained at a police station, was admissible in court, despite what had happened earlier.

Police in a patrol car had followed Mrs Patricia Davies home, entered her house as trespassers, and unlawfully arrested her while she was naked in bed.

Mr Justice Otton said yesterday: "The fact that Mrs Davies was detained at the police station only because she was wrongly arrested is irrelevant." Lord Justice Stephen Brown agreed.

The magistrates dismissed the case against Mrs Davies, of 21, Y Garth Street, Kenfig, Hill, Mid-Glamorgan, last February, and stated in their reasons for doing so to the High Court that she had been put to "enormous indignity".

She was followed some in her car by a police patrol in August 1983. She left her car and was pursued down her garden path by officers. She agreed to give a breath sample after they smelt alcohol, but asked to go to the lavatory first. The refused to let her, and she had to urinate against a wall.

Mrs Davies' husband, Martin, had already told the officers that they were on private property, but they did not leave and became trespassers, the magistrates said.

There was a struggle between the police, the Davies, and his friend, and later other officers arrived. Two of them, including a woman, went to Mrs Davies' bedroom to arrest her.

Television licence dodging increases

By Alan Travis

ONLY 22 television detector vans cover the entire country, according to a Government report published yesterday, which also says that there is little evidence that publicity campaigns are effective in combating an estimated 1.6 million television licence-dodgers.

The report, by Mr Gordon Downey, the Comptroller, says that any increase in television licence fees will almost certainly increase the number of licence-dodgers.

"As at March, 1984, the Home Office forecast that the levels of evasion would not fall from present estimated levels of 1.6 million defaulters, and in 1989 could be between this figure and nearly 2 million," the report says.

About 265 million a year is lost in revenue to the BBC by licence dodging and if the number of evaders rose to the predicted one in 10 of television-owning households the figure would be over £80 million a year.

The report describes the expensive enforcement procedures used by Post Office staff. About 1.4 million visits a year are made by staff to follow up a second reminder by post to television owners to renew their licences, but only 290,000 licences were issued as a result of such visits.

In general, the position is at best being no more than contained and the Home Office and the Post Office cannot be regarded as winning the battle.

The Comptroller calls for a re-evaluation of the anti-evasion publicity campaign, and is critical of the level of fines imposed by magistrates on licence-dodgers. Only 85,200 evaders convicted in 1982/83 and, despite much higher penalties being available, the average fine for not having a colour licence was only £7 above the cost of the licence.

Lords refuse married status to lesbian lover

An attempt to claim married status for homosexual couples who live together has failed in the House of Lords.

Three Law Lords yesterday refused to hear an appeal by Mrs Mary Simpson against her eviction by Harrogate Borough Council from the council house she shared with her lover, Mrs Nicki Rodrigo, who died a year ago.

In December the Appeal Court ruled that in spite of softening of public opinion homosexual couples living together could not remotely be regarded as man and wife, giving them security of tenure under the 1950 Housing Act.



Mary Simpson: 'fighting for social revolution'

The Law Lords refused Mrs Simpson leave to argue her case before them.

Lord Fraser of Tullybelton told her counsel, Mr Robert Allen: "You are fighting for a social revolution, but that is more than the courts can do. It is a matter for Parliament."

Lord Brandon commented that Harrogate council, having established their rights, might now think it right to grant Mrs Simpson a new tenancy. But after the hearing a legal spokesman for the council said that Mrs Simpson, who was said to be living on social security, had already left the three-bedroom house and moved out of the area.

"If she were to apply for a tenancy it would be decided in the normal way on the merits. She would have to go on the general waiting list and her position would be no different from any other person applying," said the spokesman.

The homosexual element in the case was a side issue. The council would seek possession orders against anyone who was not entitled to succeed to a tenancy because the houses were needed for people on the waiting list.

Plea for young homeless

By Feany Charlton

A national initiative is being launched today to persuade government and local authorities to help the young homeless find places to live.

Key organisations, including Shelter, Char, the campaign for single homeless people, the National Organisation for the Care and Resettlement of Offenders (Nacro), and the British Youth Council, are all backing the campaign, which is being launched in Westminster with the support of the Prince of Wales.

Chris Holmes, director of Char, said: "A proper solution to the growing crisis of youth homelessness will only come if young people are guaranteed a right to decent and secure housing." He called for extension of the 1977 Housing (Homeless Persons) Act to cover all homeless people, abolition of age-related restrictions in council house allocation, clarification of the law relating to ten-

ancies for people under 18, and introduction of legislation which ensure decent minimum standards multi-occupied accommodation relied on by many young people.

Nacro has highlighted a strong connection between homelessness and crime. "A recent survey of 500 young people received into a West Midlands remand centre found that only a third had a settled home life," said Nacro's director, Vivien Stern. "The chances of reconviction for homeless young offenders are twice as high as for those living at home."

A report, Moving On, Moving In, analyses the problems and possible solutions for housing the young homeless. In 1983, 7,000 16 and 17-year-olds were living in bed and breakfast accommodation, compared with 4,000 the year before. In the 18-25 group 30,000 young people were living in hostels in 1983, compared with 19,000 in 1982, and the figures increased last year.

Michael Rand

In a review of a book about Diane Arbus which we published on February 14, Waldemar Januszczek wrote that "after her separation from Allan, Diane threw herself into a determined round of casual sex, from darts to film directors... from pick-ups made at the bus stops to the art director of the Sunday Times, who then launched her magazine career in Britain."

The art director of the Sunday Times was at the time in question and is now Mr Michael Rand and, as the author made clear in her book, it was another journalist (whom she named), not Mr Rand, who met Diane Arbus in New York. Mr Rand first saw her work at an exhibition there and, recognising her undoubted photographic talents, suggested to a colleague that the Sunday Times Magazine should use her work.

We apologise to Mr Rand for the distress and embarrassment caused to him by this error in our book review.

Nifty footwork by MP enhances prospects of embryo ban bill

Powell bill jumps the queue

By Alan Travis
Opponents of Mr Enoch Powell's bill to outlaw experiments on human embryos protested yesterday against his deft parliamentary footwork, which means that the bill will start its committee stage next Wednesday, six weeks earlier than expected.

The move by Mr Powell will considerably enhance the chances of his private member's bill, the Unborn Children (Protection) Bill, becoming law. It will also add to the worries of health ministers who intend to bring in a government bill which contains a comprehensive package based on the Warnock report, which covered all aspects of fertilisation of embryos outside the womb.

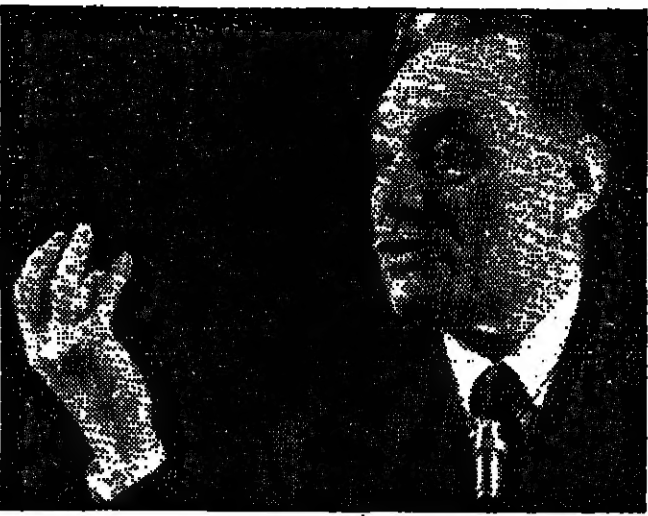
The bill won an unexpected majority of 172 when it was given a Second Reading on February 22.

It was then sent to join the queue of private bills awaiting consideration by the Standing Committee of the House of Commons. It lay fifth in the queue and was not expected to be taken for another six weeks.

But Mr Powell spotted that Committee D, which normally considers government bills, had some three days spare as there are very few government measures waiting to go into committee. He successfully applied to have his bill transferred to Committee D and so jumped the private member's bill queue.

The move brought strong protest from opponents of the bill, who are to serve on the 18-strong committee.

Mr David Crouch (C. Canterbury) said the case for the



Mr Powell — adding to Government's worries

that position by making time available.

The Powell bill would shoot a hole in one of the major recommendations of the Warnock committee, which supported research on human embryos until 14 days. But there are immense difficulties in drafting a government bill which would cover all the issues considered by Warnock.

The Government's problems are added to by the fact that a Warnock bill is likely to be taken on a free vote of the House and is liable to be substantially amended, with some of its main recommendations falling by the wayside.

The composition of the committee to consider the Powell bill is weighted 11 to seven in the supporters' favour. It is chaired by Mr David Knox and includes Mr Leo Abse, Sir Bernard Braine, Mr Dale Campbell-Savours, Mr William Cash, Mr Kenneth Clarke, Mr Thomas Clarke, Mr David Crouch, Mr Frank Dobson, Mr Roy Gabley, Mr William Hamilton, Mr Patrick Nicholas, Mr James Paussey, Mr Enoch Powell, Miss Jo Richardson, Sir Hugh Rossi, Mr Peter Farnham, Sir Gerard Vaughan, and Mrs Ann Winterton.

Mr Norman St John-Stevas, a former Leader of the House, have been pressing the Government to provide time for the bill.

Mr John Biffen, the Leader of the House, has said in the past that the Government was neutral on the bill and the Government would not jeopardise

MPs welcome EEC agreement

EEC agreements on milk and wine production were hailed in the Commons yesterday by the Agriculture Minister, Michael Jopling, as "bringing reality into the Common Agriculture Policy".

MPs from all sides congratulated Mr Jopling on the package designed to curb runaway farm spending, which was secured at the Council of Agri-

Labour row over elitism charge

By Jim Naughtie
A right-wing member of Labour's national executive committee has caused a fierce row in the committee set up to draw up a statement of the party's aims.

Mr Ken Cure, a senior official in the Amalgamated Union of Engineering Workers, presented a confidential paper to the committee this week accusing left-wingers of elitism and fomenting internal party strife.

His submission caused a bitter clash with the left, in which at least one member of the committee threatened to leave the meeting. His paper said: "A minority of highly educated people dominantly in the Labour Party

are abusing their skills to gain power by stretching the rules and constitution for narrow sectarian whims and purposes."

He went on to claim that traditional working class party members were being embarrassed, intimidated and bored because of "the very worst form of elitism."

The committee has been set up to draw up a statement of the party's aims as a response to the demands for a distinction to be made between the party's purposes and the objectives of far left groups, including the Militant Tendency.

Mr Cure's document has already ensured that the committee will conduct its

work in an atmosphere of bitterness between right and left.

Mr Cure said: "The elitists have the strange idea that if you enlist enough minority pressure groups you form a majority in the country. Such is their lack of understanding of the British people."

Referring to groups such as Militant he said: "The party has never before had to face such well funded and expertly centrally organised internal demolition squads in its history of struggle. For the party to be diverted from its main task of serving the working class and the country is, to say the least, shameful."



Mr Cure: 'Rules stretched'

Government 'masked' real cuts in Wales

By Paul Heyland
The impression created by the government that the level of public expenditure in Wales will not fall over the next three years has masked a real cut of more than £100 million in capital spending, it is claimed today.

In an analysis of the white paper on expenditure plans for the principalities, Mr Barry Jones, the Shadow Welsh Secretary and MP for Alyn and Deeside, states: "It is not too difficult to penetrate the sleight-of-hand tactics which the Government are employing to maintain the illusion that public expenditure in Wales will be held in real terms at a constant level over the next three years."

The transfer of £56 million in regional development grants and increased revenues from the European Regional Development Fund made up most of the extra £102 million made

available to the Welsh Office. New money from the Exchequer amounted to only £20 million and on that basis the planned expenditure for 1985/6 represented a cut in real terms of a doubling of the number of new industry projects and expansion schemes and all the indications are that in 1985 we will do better still."

"What the Treasury have done is hand over to the Secretary for Wales a sum for regional development grants which would normally have been paid in addition to public expenditure by the Welsh Office, without increasing the global total," Mr Jones said.

In effect, they have saved £56 million of expenditure in Wales.

Whilst capital spending next year would be increased from £570 to £586 million, £699 million was required to restore 1983/4 levels in real terms.

Only £148 million had been allocated for industry, energy, trade and employment, which represented less in one year than had been made available to persuade Ford to establish an engine plant in Bridgend at 1978 prices.

Mr Jones condemned what he described as scandalous cuts in housing expenditure. To achieve 1983/4 levels in 1985-7 would require £216 million but the Government planned to spend only £130 million.

"The picture so glibly painted by the white paper of public expenditure in Wales being maintained at existing levels is false," he said. "With only one exception, all the major expenditure programmes show cuts in real terms."

Mr Jones questioned why Wales had fallen behind other parts of Britain, with Scotland receiving an extra £80 million and Northern Ireland a further £40 million for their capital

Ulster talks

The Leader of the Northern Ireland Alliance Party, Mr John Cusack, yesterday met the Prime Minister and Mr Neil Kinnock, the Labour Leader, for separate discussions. The meetings were intended as an opportunity to the recently elected Mr Cusack to exchange views on Northern Ireland problems with Mrs Thatcher and Mr Kinnock.

Coal strike 'disaster for railway men'

WELSH AFFAIRS

By Alan Travis
The miners' strike has proved very clearly that steel can and will be produced with Welsh coal, using imported coal if necessary, the Welsh Secretary, Nicholas Edwards, said yesterday.

Opening a Commons debate on Welsh affairs he said it was not the steel industry that has been damaged by the strike but the long standing partnership between coal, steel and rail.

It was unlikely that the steel industry would return to rail to ship its coal and the sight of convoys of coal lorries on the M4 motorway may now remain a permanent feature of South Wales life.

"For the railwaymen in particular the strike has been a disaster. They have lost business and jobs and I fear they will never recover."

Mr Edwards said in the light of the operation to keep Llanwern steel works in full production it was a particularly sad fact that "one consequence of the mining dispute has been to postpone invest-

ment decisions that affect the industry, particularly the decision about the highly important contest scheme for Llanwern."

But at Pwll Talbot, he said, "very good progress is being made on the £171 million project for refurbishing the hot strip mill."

He praised the positive reaction in the steel plants and throughout manufacturing industry in Wales to the miners' strike in view of the continuing very high level of unemployment with 185,529 on the register.

Particularly disturbing has been the increase in long-term unemployment, "which causes the greatest social distress and is the firmest indication of this country's continuing inability to compete even in a situation of rising demand."

He said Wales has had two years of exceptionally high levels of capital investment by manufacturing companies, both foreign and British.

"During 1984, 245 offers of regional selective assistance were made with a value of over £53 million and nearly 18,000 jobs were associated with those offers. In 1984 we

Owen warns against Star Wars project

By Jim Naughtie
President Reagan's Star Wars project could be more divisive in Europe than the deployment of cruise missiles and should be treated with great scepticism by the NATO allies, Dr David Owen, the SDP leader, said last night.

Dr Owen said NATO countries should act as candid friends in warning Mr Reagan of the dangers of an increased arms race by his determination to proceed with research on the strategic defence initiative, now commonly known as the Star Wars project.

He said that western European countries should not accept defence contracts related to the project and should stress instead the importance of negotiations on existing arms systems and the desirability of an anti-satellite missile test moratorium.

Delivering the Britton lecture to the English Speaking Union in Bristol, Dr Owen said there were clearly early signs of stress and strain inside NATO between Europe and the United States. "Potentially, SDI could be far more divisive than cruise missile deployment.

Potentially, it offers for the Soviet Union a far more damaging propaganda opportunity than cruise deployment."

He criticised the tendency in the United States to "think simplistically" about arms control and said: "War, 'Star Wars' just Hollywood hype? Or the portent of things to come? Will the research programmes once started, as many fear, prove to be unstoppable?"

Dr Owen was critical of Mr Reagan's presentation of the initiative and said it was important that European governments should not be forced to choose on the desirability of Star Wars but that they should exercise their right to ask US and the USSR to negotiate now for substantial reductions in ballistic missile warheads.

He said the mood of protest in Europe over cruise missiles had been fed by the early rhetoric of Mr Reagan on nuclear weapons. "Nuclear issues are far too serious for simplistic stances. Leaders who believe in negotiation must also demonstrate a greater awareness of the anxieties of those who have lost faith in negotiations," he said.

PM attacked on prices

By Alan Travis
THE Labour leader Mr Neil Kinnock, yesterday accused Mrs Thatcher of fomenting artificial price rises on the nationalised industries.

Speaking during Commons question time he quoted a Treasury and Civil Service Committee report published yesterday which expressed concern at the Government's insistence on using the nationalised industries' finances to offset public expenditure. The committee said if the industries' targets were to be realised it seemed likely that they would have to resort to using their monopoly power to raise prices.

Mr Kinnock asked the Prime Minister to note the concern expressed by the committee and the Government policy of making electric and water industries pay off their debt and finance all future investment

from current charges.

He asked how she could defend the move when the increased charges fell on ordinary families and put up industries' costs.

Mrs Thatcher replied: "As far as the water industry is concerned, after the drought we thought it right to increase investment in the water industry. It has risen by 9 per cent and that must be paid for."

Mr Kinnock claimed that the Prime Minister had not answered the question: "The policy she is operating means substantial price increases to get investment and it means lower price increases will bring a subsequent decline in investment."

Mrs Thatcher replied: "You cannot have increased investment without someone paying for it. It is ridiculous to think otherwise."

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مكتبة القرآن

Budgetary fervour may foul

Republican reelection hopes

Reagan veto threatens cash aid for farmers

From Alex Brummer in Washington

President Reagan, determined to put on a show of holding back the tide of government spending, yesterday vetoed a bill which would bail out American farmers and send a new tranche of aid to famine areas of Africa.

His tough stand follows votes in the Democrat-controlled House and the Republican-controlled Senate for packages of farm aid which far exceed anything the White House intended.

As a consequence, Mr Reagan and the Senate majority leader, Mr Robert Dole, find themselves at serious odds with senators from their own party which could spill over into defence issues, such as the MX-inconsequential missile, and affect Republican chances during the 1986 mid-term elections when some 22 Republicans face re-election.

The House and Senate bills broke the limits set by the Reagan budget for aid to save America's family farmers, some 239,000 of whom are said to be close to bankruptcy. The passage of the bills follows a week of intense political activity in Washington and the mid-West.

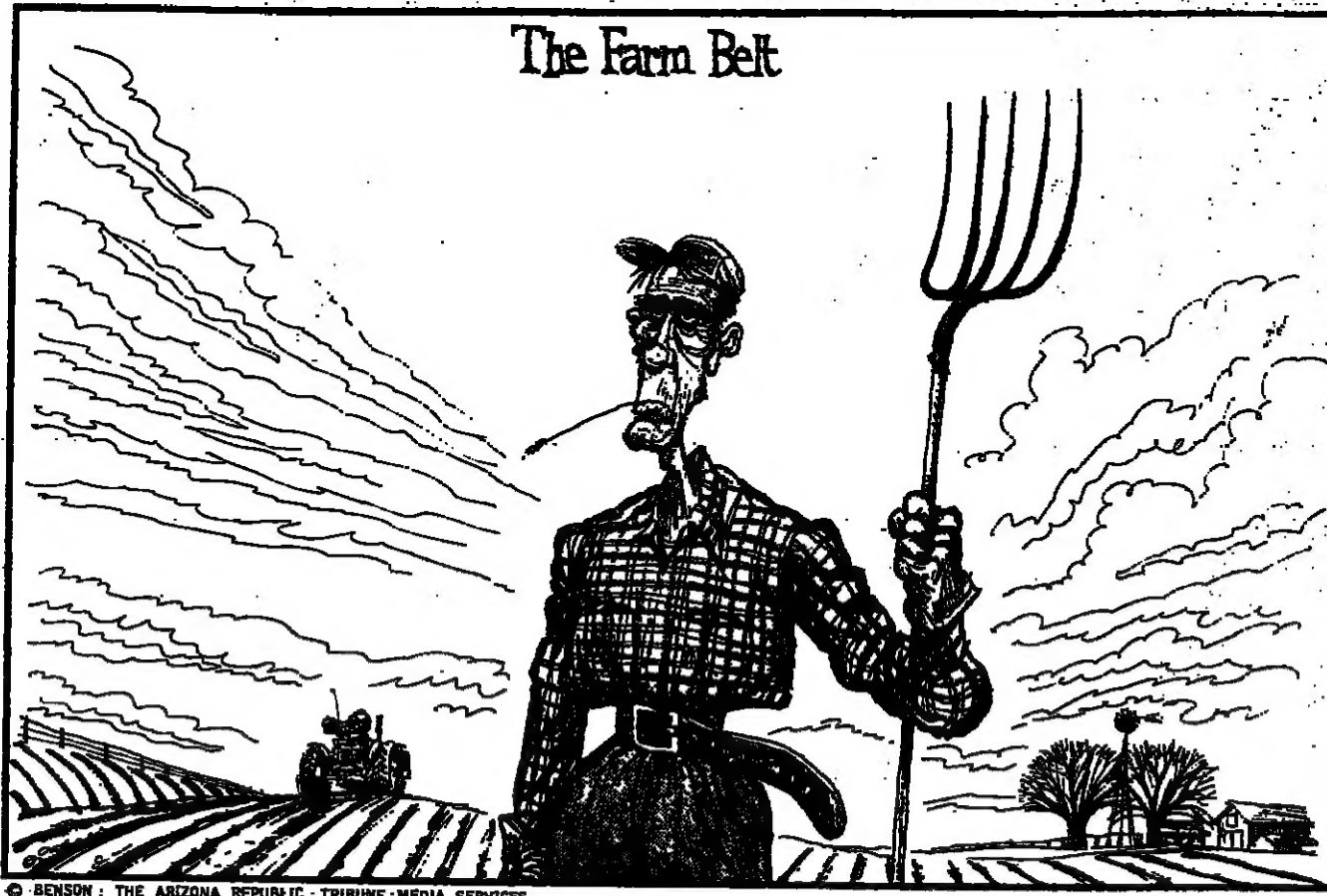
The governor and whole legislature of South Dakota invaded Congress, in unprecedented fashion, to make the

case for as much aid as possible. In Ames, Iowa, some 14,000 farmers from a dozen states gathered to attack the Administration's agricultural policies and to urge further aid for the debt crisis sweeping the farm belt.

The Senate bill, which passed in defiance of Mr Dole, provides some \$1.8 billion more in funding than the White House recommended. This money would provide extra credit for farm-loan guarantees, ease the terms of Federal loans and speed-up the processing of aid. The House bill goes even further by providing some \$3 billion of farm aid.

President Reagan, fearing further breaches in the already bursting budget-dike, is telling Congress in the strongest terms that he is not afraid to use his veto on "budget busters." The relatively close vote, 50-48, in the Senate on the farm aid effectively means that the rebels would not have enough votes to override a presidential veto, which requires a two-thirds majority.

A sad victim of the presidential veto could be a bill which has cleared both Houses and would provide \$175 million in additional refugee assistance to famine victims in Ethiopia, Sudan, and other African countries. Despite the urgency of the African crisis, Mr Reagan believes that this provision also is extravagant.



Lange to boost defence budget

By Michael Simmons

New Zealand is to increase defence spending in the coming year and will become "more involved" with Australia in planning its defence strategy, Mr David Lange, the Prime Minister of New Zealand, said yesterday.

He told a London news conference that his anti-nuclear stance was not intended to destabilise or demoralise any of America's Allies in Western Europe.

In Sydney, the British Junior Defence Minister, Mr Adam Butler, said Britain would continue to sell arms to

New Zealand, despite the row with the US. This now seems certain to be raised when Mr Lange meets Mrs Thatcher on Monday.

New Zealand's defence spending runs at about 2 per cent of the Gross National Product. To keep pace with inflation, spending would have to rise by at least 12 per cent.

New partners will also be sought for military exercises and exchanges.

Mr Lange said that the US had been "absolutely straightforward" in stating that there would be no economic sanctions against New Zealand for

its ban on US nuclear warships. Mr George Shultz, the US Secretary of State, had twice told him that sanctions were out of the question.

"My relations with the British Government" he said, "have never been better. There is a closeness which we cannot see ever loosening. We don't stand identically on everything, but we are long-term mates. It is completely inconceivable that Britain would consider trade

sanctions." Mrs Thatcher has twice told Mr Lange of her own coolness on New Zealand's anti-nuclear policies, and repeated the message when she was in the US last week. But a British warship is expected in New Zealand.

A closer defence relationship with Australia could be seen in exercises being conducted by the two navies and in joint all-service exercises to be held at the end of the month, Mr Lange said. But there was no question of "exporting" New Zealand's foreign policy to Australia, or elsewhere.

Not for turning, page 15

Godfathers' arrests open way for younger generation

Clampdown on mafia leaders may add virility to crime

From Michael White in Washington

The understandable euphoria of New York lawyers and detectives about the "Monday night massacre" which put five Mafia family godfathers in the dock this week, was giving way yesterday to a more realistic assessment of the chances of dealing a fatal blow to the power of organised crime in the United States.

As the alleged mobsters continued to put together their bail notes — set at \$7.5 million — the striking thing to emerge from their appearances on television was their physical frailty.

Three of those remanded in custody pending bail did so in hospital (with "chest pains"), another is said to be dying of cancer, and one limping and shuffling figure was described by a New York tabloid as looking more at home bounding his grandchildren on his knee.

The implication of such frailty is that, far from putting the intricate structures of the Mafia under intolerable strain, the painstaking five-year efforts of federal investigators may help clear the path to power for a new and potentially more ruthless generation of mobsters. "It's a major blow, but we shouldn't call it the death of the Mob or the

dying gasp," the prosecutor behind the arrests, Mr Rudolph Giuliani, told reporters.

The renewed efforts to rein in organised crime, using a 1970 law which allows leaders of organisations to be prosecuted where there is a pattern of racketeering—whether it be proved they knew of specific crimes or not—has been deployed right across the US.

Even in Boston there have been repeated reports in recent weeks of currency regulations by the respectable Bank of Boston.

The bank apparently failed to notify federal authorities of cash transactions in excess of \$10,000 and may thus have effectively laundered up to \$2 million from the businesses owned by the Angiolo family in the Italian north end of the city.

Five members of the family face racketeering charges.

A bug placed inside a mobster's garage by New York's organised crime task force enabled detectives to eavesdrop on conversations for five months. Thus, for the first time since it was formed in 1931 as a sort of board of directors for the Mafia, the so-called "commission" of Cosa Nostra began to yield real secrets.

The heads of the top five families — Genovese, Gambino, the Lucchese, Colombo, and Bonanno — have had to raise as much as \$2 million bail each. Two managed it immediately. These are the old men who have been seen cursing the cameras and shouting in court this week, men with nicknames like "Fat Tony," who sat on the commission and arbitrated their families' affairs.

The pressure relentlessly placed on them is supposed to account for the latest spate of Mafia killings as "insurance policies" against betrayal of the code of silence. The Chicago Sun-Times has reported that local contract killers were sent to New York because of the pressure.

This being New York, there is also a political dimension. The prosecutor, Mr Giuliani, who has received wide publicity for soothing public anxieties about the mob, has left the door slightly open for a possible Republican challenge to Mr Mario Cuomo, the incumbent Democrat governor of New York state, next year.

Mr Cuomo, tipped as presidential material, has this week been said that he will run again in New York, insisting that he doesn't have what it takes for the White House.

The last of America's great patrician history makers

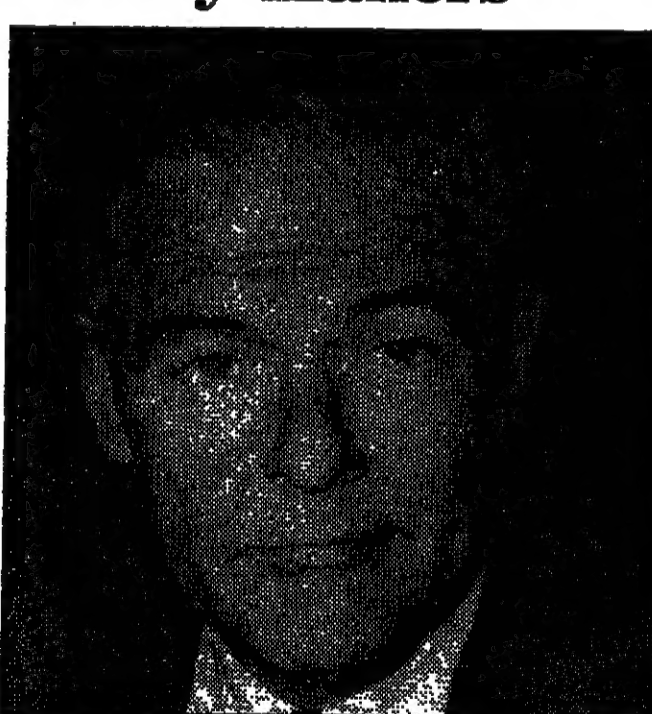
HENRY Cabot Lodge, who died on Wednesday night, aged 82, after a long illness, was a Boston Brahmin, a member of America's great patrician families which discreetly guided the country's destiny for so long. It was often said that, in Boston, "the Lovells speak only to the Cabots, and the Cabots speak only to God."

But Mr Lodge's own long career symbolised the gradual decline of such influence on American public life. A liberal Republican aristocrat, he was defeated in his closest bid for his party's presidential nomination in 1900 by the incumbent vice-president, Richard Nixon. As Mr Nixon's running mate, he was defeated by the man who had taken his Senate seat in 1902, the Boston-Irish "untouchable" John F. Kennedy. He lived to see neo-conservatism, of the kind he had fought when Senator Barry Goldwater was its standard bearer in 1964, triumph in President Reagan.

But it was a spectacular career nonetheless, marked predominantly by Mr Lodge's controversial role in the coup which overthrew the Diem family's rule in South Vietnam shortly after he became US ambassador to Saigon in 1963. In his own memoirs he insisted that the famous State Department telegram saying "a coup will be needed" to remove president Diem was his brother, Ngo Dinh Nhu, who had been cancelled so that US policy was "not to thwart" a coup.

Mr Lodge insisted that he scrupulously followed that order, a matter of historic controversy. What is not disputed was that when a desperate Diem rang the ambassador for help on November 1, 1963, he was told to call back only if he feared for his physical safety. Next morning he was dead and the Saigon generals were in charge.

Henry Cabot Lodge's father and namesake was an isolationist senator, who opposed the Versailles Treaty and helped keep the US out of the League of Nations. Young Henry, first elected to the Senate in 1936, was initially of the same mind, although sympathetic to much of Roosevelt's new deal. But in 1942, he became the first US



Henry Cabot Lodge making his presidential bid in 1964

senator since the civil war to resign his seat and go to war, an experience he saw combat in Europe—which turned him into an internationalist. He was much decorated and became a reserve major-general.

Defeated in his Senate seat by the insurgent Kennedy in 1962, he was named President Eisenhower's UN ambassador, a role in which he became popular for "talking tough" to the Russians during the Cold War years, Hungary, Suez (his excellent French helped to negotiate the Anglo-French ceasefire), and even the U-2 spy plane affair when he countered Russian charges by dramatically producing a present to the US ambassador in Moscow which had been bugged.

Gifted, elegant, and experienced, Mr Lodge was criticised for his lack of democratic energy on the hustings in 1960. But President Kennedy shrewdly appointed him to Saigon as the US commitment began to grow in Vietnam, thus cutting off liberal Republican potential for criticism. Mr Lodge, who had been at the UN for a record 7½ years,

resigned after a year, unsuccessfully to resist Senator Goldwater's premature bid for the White House.

But in 1965, President Johnson sent him back to Saigon where he tried to achieve the negotiated settlement which, he later wrote, he had always believed to be essential. But the US military buildup was underway as was the bombing of North Vietnam, inadequate control of which Mr Lodge later blamed for the failure of his efforts to get direct talks started with the Communists in Hanoi.

Mr Lodge led the US delegation in Paris in 1969, but his latter years were spent in various diplomatic roles, often as a special envoy. He also lectured and wrote. He saw his son, George, defeated for the Massachusetts Senate seat by Kennedy's younger brother, Edward, who was one of many to praise his role as "a diplomat-statesman of the first rank" yesterday. He died of heart failure at his family home in Beverly, Massachusetts.

Michael White

Spares trouble for jet fighters

From Mark Train in Washington

The US Air Force is having to break up new aircraft engines for spares to keep its F15 and F16 fighters flying.

A Washington Post report, based on internal documents, says that the cannibalisation is going on despite congressional approval of billions of dollars in recent years to buy spares for engines already in the planes.

A main reason is that contractors are not delivering the spares on time. An internal Air Force paper blames the growing pains of putting spares up for competitive bidding rather than relying on a relatively small group of suppliers. The new system was designed to cut the exorbitant prices that contractors were obtaining—the most recent example being the \$800 aircraft toilet seat.

Air force messages on the cannibalisation problem reveal that the service is anxious to come up with a "recovery game plan."

An investigation is underway into why spare parts deliveries for the Pratt and Whitney F100 engine, which powers both the F15 and F16, have been as much as a year late. Over the last five years, Congress has appropriated about 2 billion to buy spare parts for the F100 engine in response to stories about first line fighters becoming "helmet queens" for want of engine parts.

Air force figures show that, as of last month, 108 out of 210 spare engines for the F15 were supposed to be immediately available for emergency use. But only 59 were serviceable. The picture was brighter for the F16. Sixty-two were available out of 133 spare engines where the target figure was 57.

While the air force is having trouble getting spares on time, the army is throwing away perfectly good equipment. A Pentagon investigation has shown that, despite a projected shortage of 50,000 helmets, the military last summer scrapped an unknown number of usable helmets by mistake.

The disposal violates a freeze on the sale of army surplus military equipment—imposed after the Pentagon discovered that for years hundreds of millions of dollars' worth of new or serviceable items were being thrown out, while other units were buying these new.

The helmet bungle occurred when the helmets were mislabelled. Instead of being marked "A" for serviceable, they were labelled "K" for "unserviceable (condemned)." The army is replacing its old steel helmets—costing more than \$2,300 each—with a new generation of plastic helmets.

These have been criticised for looking like Second World War Nazi helmets, but the army says they provide better protection and are more comfortable. In the meantime, the steel helmets are to go to reserve units.

Pay cheque problem

DALLAS: Employees of a company owned by the Bill Bonaire-Hunt Brothers had a nasty surprise last week, it was reported yesterday—their salary cheques bounced. Main banks for Hunter International Resources Corporation have curtailed funding of some of the company's operations, and cheques for some employees were not honoured last week, officials said.

The net value of the family has suffered huge declines recently in oil-related businesses and commodities, such as sugar and silver. Hunt Resources, a sugar refiner and drilling-rig operator, disclosed last week that it is in default of \$200 million of debt, and is unlikely to be able to repay it all. — AP.

NEWS IN BRIEF

Papers 'passed to KGB'

THE alleged Norwegian spy Arno Treholt admitted yesterday that he had passed confidential documents to KGB agents.

Treholt, a former Junior minister, said on the fourth day of his trial that he met the agent, Gennadij Titov, in a Helsinki restaurant in May 1983, where he passed over secret papers tucked inside a newspaper.

The documents were a speech given to the Norwegian Defence College, where Treholt was a student, by Norway's ambassador to Moscow on the Soviet Union after Brezhnev—Reuter.

Bomb trial

THE prosecution demanded life imprisonment yesterday for three Armenians on trial in Paris accused of a bomb attack at Orly airport two years ago. The three deny involvement in the attack, which killed eight people and injured more than 50, although one of the accused has admitted belonging to the Secret Army for the Liberation of Armenia. — Reuter.

Lining up

MORE than 10 million people in the Soviet Union are waiting to have a telephone installed at home, the Minister of Communications, Vasily Shamsin, said yesterday after the launching of a campaign to modernise and expand the telephone system. Under one in four Soviet families has a telephone at home. — Reuter.

Espied

CHINESE authorities have convicted and sentenced three men accused of spying for Taiwan, recruiting anti-Communist agents, and inciting defections by air force pilots. The State Security Ministry in Peking said yesterday that the three used invisible ink, radio, and cameras to amass secrets for the national government in Taipei. — AP.

Hard corps

THE Canadian army has discharged at least five women as "potential security risks" after investigators found what their commander called "a homosexual clique" consisting of "hard-core lesbians" at a top-secret submarine-tracking station. Several of the women were oceanographer operators. — Reuter.

Vienna shooting

A RETIRED Libyan ambassador to Austria, Mr Ezzedin al-Ghadamsi, was shot and seriously wounded yesterday by an unknown assailant in Vienna's suburb of Döbling. He was hit by two shots fired from a passing car near the building that formerly housed the Libyan embassy. — Reuter.

Caught in act

AN 80-year-old man was given a suspended sentence by a court in London yesterday for stealing a book on sexual technique from a bookshop. Sidney William Heath, who pleaded not guilty, put the book learning in his pocket while his sons, the court heard. — Reuter.

Border blaze

FOUR cars were set ablaze in La Gamba, on the frontier with Gibraltar, on Wednesday night, causing damage but no injuries. Police said yesterday that several bottles with traces of petrol were found near the vehicles. — Reuter.

Sub sunk

CBS reported in the US that a North Korean submarine sank off North Korea with all hands last week and that a small flotilla of Soviet and North Korean ships was not trying to raise the vessel. — Reuter.

Mexico is pulling its weight in drugs battle, general says

From Peter Chapman in Mexico City

The Mexican defence chief, General Juan Arce, has gone to the defence of his armed forces against a barrage of US accusations that Mexico has been doing little to stem the flow of drugs across the frontier into the US.

He said on television that Mexico had been pulling its weight.

Relations between the two countries have been under heavy strain in the past two weeks, with US frontier patrols making exhaustive checks on trucks leaving Mexico, causing huge delays. The US has made

little secret of this being designed to put pressure on Mexico to do more against the estimated 18 big drug rings ply the lucrative trade routes to the US.

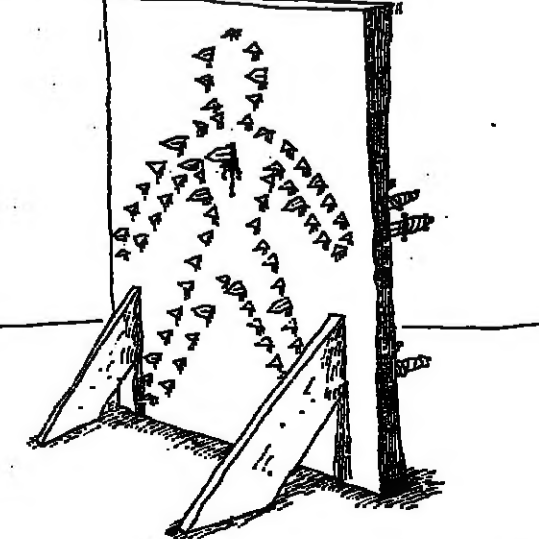

But, according to General Arce, enough marijuana fields were detected by the army last year in Mexico, to have produced 19 billion lbs of the drug.

Although the US says Mexico is an increasingly important source of cocaine and heroin, drug abuse in Mexico was very low, military attaché here said that the Mexican armed forces were doing a

good job, saying: "There tend to be a lot of generals without men and admirals without ships, but their anti-drug operations are on the whole very effective."

One of the most spectacular recent hauls was when the army seized about 10,000 tons of marijuana at a plantation near the Texan frontier—about eight times more than the US estimates is grown in Mexico in a year. Such operations have left the US uneasy: If such quantities are being produced virtually under the noses of border guards, how much is being grown elsewhere?

Henry Cabot Lodge's father and namesake was an isolationist senator, who opposed the Versailles Treaty and helped keep the US out of the League of Nations. Young Henry, first elected to the Senate in 1936, was initially of the same mind, although sympathetic to much of Roosevelt's new deal. But in 1942, he became the first US


New Cushioncare from the makers of Elastoplast. For your larger than average wound.

Cushioncare is a great big patch for the sort of injuries that used to need lint and bandages.

A comfortable cushion of highly absorbent non-stick Melolin is surrounded by an extremely sticky low allergy adhesive material known as Hypafix.

Until recently a dressing like Cushioncare was only available in hospitals.

Now that it's in your local chemist, you might say that it's just what the doctor ordered.



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Israel's slow and painful road out of Lebanon

From Ian Black at Qasbiya Bridge, Lebanon
BY THE southern end of the Qasbiya Bridge, a few minutes' drive along the potholed coastal road out of Tyre, Israeli army engineers were hard at work yesterday flattening a patch of muddy, scrubby land to make a concrete parking area where Lebanese trucks can be searched when they come from Sidon.

A fortnight ago, just before the implementation of the first stage of the three-phase withdrawal from south Lebanon, the same engineers were busy dismantling the girders and cantilevers that formed the vehicle terminal at the Awali River, on the Beirut side of Sidon. Step by step, Israelis are on their way out, but it is a slow and painful process.

The old Bailey bridge here is as good a vantage point as

any from which to observe the beginning of the end of the occupation.

Beneath it flows the greasy and sluggish Litani River, which gave its name to the first invasion in 1978 and was the ostensible goal of "Operation Peace for Galilee" four years later — before the armoured columns roared past on the way to Beirut.

Beyond the coils of barbed wire stretched across the bridge, Israeli soldiers man a sandbagged checkpoint and a watchtower that gives them a clear field of fire in all directions. They need it. The position has attracted Katyusha rockets and rocket-propelled grenades every afternoon for the past few days, say the middle-aged reservists inside.

They are old hands, grizzled veterans of Israel's many wars, but Lebanon and its par-

ticular horrors has unnerved even them. "Everything's fine, just fine here," said one burly infantryman with a wry grin. "But it will be finer still when we get back home."

South of Tyre, soldiers flinched when there was a sudden burst of automatic fire outside an army camp. "It's like a John Wayne movie," quipped an officer, "but here it's for real."

The young conscripts, many of whom have spent much of their three years' national service in Lebanon, do not smile or joke. Spattered with the thick mud brought by this week's heavy rain, they sit listlessly in the back of their armoured personnel carriers and opened "safai" trucks, weapons cocked.

There is little of the natural exuberance of teenage soldiers and the strain on their faces

and in their tired, hollow eyes is palpable.

Flak jackets are compulsory and helmets a popular option here. The tangle of steel barriers, earthen ramparts and concrete dragon's teeth that protect every Israeli position seem to have grown in density in recent weeks. Suicide bombers, ready in the name of the Shi'ite martyrs to drive straight at the enemy, prey on their minds.

Yesterday morning, as a trio of tiny Lebanese women walked idly southwards past the checkpoint, the local Israeli brigade commander gave swift orders to check a battered van waiting silently a couple of hundred yards beyond the bridge. It turned out to be a hearsay waiting to take a body into Tyre for burial.

From Qasbiya, the new Israeli frontline curves up

through the citrus groves by the roadside towards the prison camp at Ansar, Christian Jezzine and the Bekaa Valley, and the Syrian army beyond.

It is a chaotic, fluid sort of deployment dictated by generals anxious to ensure that the politicians in Jerusalem keep it temporary. On Wednesday, three or four miles inland, there was a brief clash with regular Lebanese Army troops probing southwards from suburbs of Sidon.

But it is not the Lebanese Army which worries the retreating Israelis. After a week of their new "iron-fist" policy in the triangle of half a dozen militant Shi'ite villages in the low hills just east of here, senior officers were putting on a brave face yesterday about their success in stemming the wave of guerrillas

attacks that is following them southwards.

"The first results of this approach show us that the village population does not want these attackers in their midst," a baby-faced lieutenant-colonel said. "We give them a lecture about not cooperating with or harbouring the extremists. People who have a reason to run away, run away. First we fire into the air and tell them to stop. Only when they don't obey do we shoot."

Jane Rosen adds from New York: Lebanon urged the UN Security Council yesterday to adopt a resolution that would condemn Israel for its "inhuman practices" in the occupied areas, demand that the Israelis immediately cease the practices, and "ensure the complete Israeli withdrawal from Lebanon."

Mubarak holds talks with Jerusalem official

Cairo peace moves take step forward

From Kathryn Davies in Cairo

Egypt's latest peace initiative gained momentum yesterday when a senior Israeli official held talks in Cairo with President Mubarak and senior ministers, the latest in a series of high-level talks between the two countries.

People here clearly feel that negotiations are at a delicate stage, and have imposed a news blackout on the substance of these contacts — although President Mubarak continues to publicise his proposals in a series of interviews.

The government in Cairo has still not admitted publicly that President Mubarak's senior political adviser, Dr Osama al-Baz, went to Israel earlier this week for a series of late-night meetings with the Prime Minister, Mr Shimon Peres. Nor did they disclose that Mr Avraham Tamir, director-general of Mr Peres's office, had met the President yesterday.

Mr Tamir said after his talks with the Egyptian Prime Minister, Mr Kamal Hassan Ali, that President Mubarak's proposal for direct talks between the United States and a joint Jordanian-Palestinian delegation, with Israel subsequently taking part, marked a break in the stalemate peace process. Mr Tamir said he had

delivered a letter to Mr Ali and described the purpose of his visit as being to exchange views and clarify Egyptian ideas.

The Israeli official also met Egypt's Foreign Minister, Dr Esmat Abdel Maguid, who had earlier sounded a note of caution over the likelihood of the early realisation of President Mubarak's proposals. Dr Maguid said it was premature to think of convening such a conference at this stage of negotiations, but it was essential to exchange views and ideas for future steps to promote the peace process.

These latest Egyptian-Israeli contacts coincided with increasing signs of alarm from radical Arab states, notably Syria and South Yemen, at what appears to be genuine progress towards bringing Jordan and Israel together. Syrian papers, reflecting the government view, criticised "this new American-Israeli plot aimed at giving the impression that peace is forthcoming."

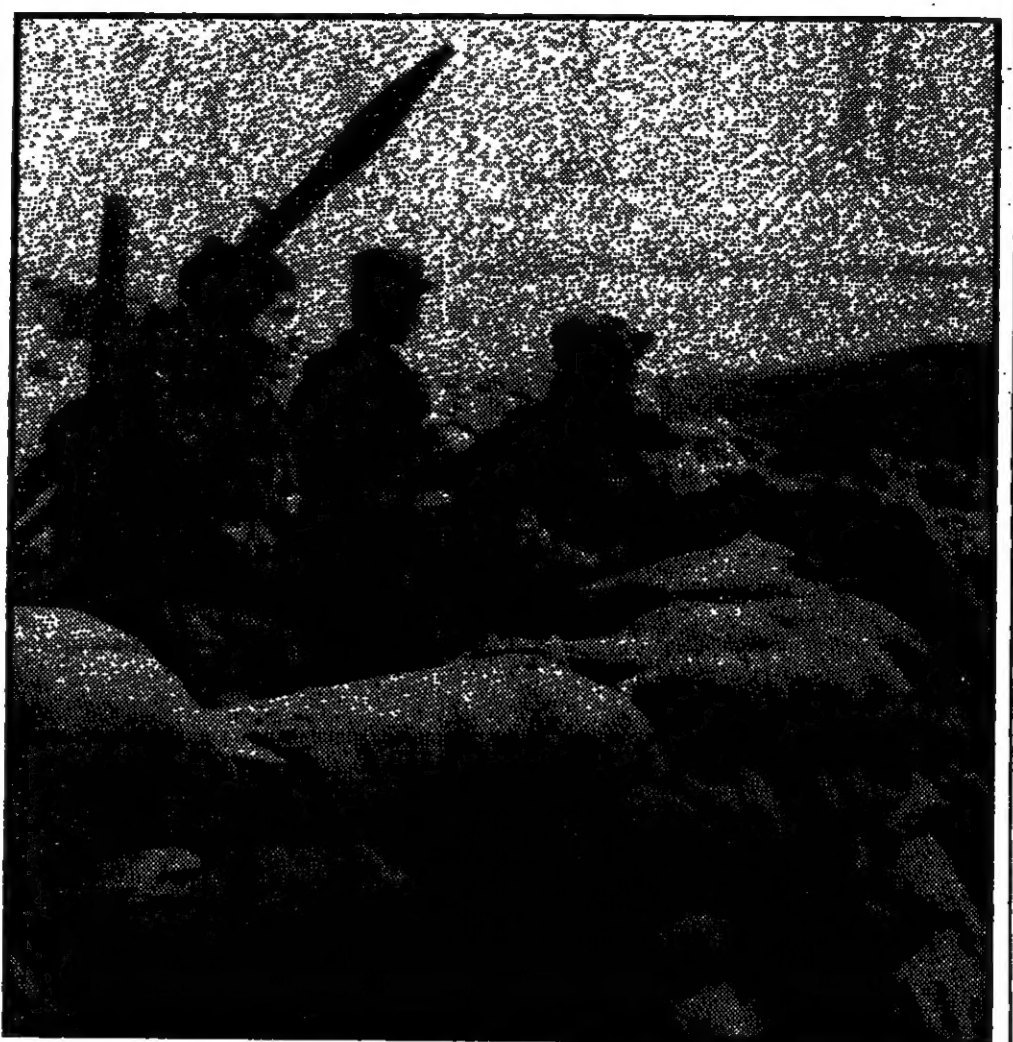
The Syrians have called for the creation of a Palestinian national front to avert "another Camp David" peace agreement between Israel and Egypt. The President of South Yemen, Mr Ali Nasser Mohammed, yesterday travelled from Damascus to Algiers to rally opposition to the accord

between King Hussein and the PLO chairman, Mr Yasser Arafat, which prompted President Mubarak's latest initiative.

There are also signs of hardening positions within the Arafat PLO camp about Egypt's interpretation of the Palestinian position. Mr Abu Iyad, Mr Arafat's deputy in the Fatah guerrilla movement, told the Kuwait News Agency that President Mubarak had offered important concessions to the United States and "denied the PLO the right to represent the Palestinians."

PLO amendments to the joint Jordanian-PLO accord include demands for the formation of a unified Arab delegation at any conference and the right of self-determination for the Palestinians immediately after Israeli withdrawal from the occupied West Bank and Gaza. The Egyptian and Jordanian interpretation is that the Palestinians would form a state in confederation with Jordan.

Mr Kamal Hassan Ali also had a meeting yesterday with the US Ambassador to Egypt, Mr Nicholas Veliotes, who leaves today for Washington to prepare for President Mubarak's visit. President Mubarak told one of Egypt's semi-official newspapers this week that the Americans should act to accelerate the peace process.



Lebanese troops, one carrying an anti-tank rocket launcher, stand guard near the new frontline village of Kawthariet as-Siyad, where an Israeli patrol was repulsed on Wednesday after approaching within 300 yards of the position.

Polisario makes appeal to Europe

By Victoria Brittain

A top Polisario official appealed to West European governments in London yesterday to intervene in the stalled peace process to end the 10-year war in the Western Sahara.

Mr Mohammed Sidati, a member of the Saharan Arab Democratic Republic government, called at a press conference "for pressure for peace from Morocco's friends — Europe must realise there can be no military solution."

President Chadli Benjedid of Algeria — Polisario's main backer — has disclosed that there have been secret talks with King Hassan of Morocco's political adviser, Mr Ahmed Reda Guedira, in the last two months over the Western Sahara.

But while the king says Morocco has left the door open for dialogue, Algeria has not compromised on the issue of the Saharan Republic's right to attend regional summits, although it is now recognised by the OAU.

A proposed summit of the six North African states — Algeria, Libya, Mauritania, Morocco, Tunisia, and the Saharan Republic — has not been convened as Morocco refuses to sit alongside the Polisario Front.

At his press conference, Mr Sidati revealed for the first time that secret meetings between Polisario and the king's political adviser, Mr Ahmed Guedira, were held in Mali and Algeria in 1978 and early 1983. King Hassan had stopped the first round after the death of President Houari Boumedienne of Algeria, who had provided Polisario's support from the start of the conflict.

ANC man freed for rejecting violence

From Patrick Laurence in Johannesburg

Mr Dennis Goldberg, the only white member of the African National Congress's military wing Umkhonto we Sizwe, who was jailed for life at the 1984 Rivonia trial, has accepted freedom in return for an undertaking to renounce violence as a means of pursuing political aims.

All his former comrades who were sentenced with him at Rivonia, including the ANC leader, Mr Nelson Mandela, have turned down President P. W. Botha's offer of conditional release.

Mr Goldberg is the first prominent ANC prisoner to accept Mr Botha's offer. His acceptance brings to five the number who have been released; the first four were members of the rival Pan-Africanist Congress. He left for Israel yesterday.

He was found to have manufactured explosive devices for the ANC campaign of sabotage in the early 1960s. As a white, Mr Goldberg was imprisoned apart from his co-accused in the Rivonia trial. He was sent to Pretoria Central prison, while they were held at Robben Island and, later, Pollsmoor prison in the Cape. His isolation may have been a factor in his decision to break ranks with the imprisoned ANC leadership.

The Minister of Justice, Mr Kobie Coetsee, announced yesterday that 23 political prisoners have renounced violence.

EEC help for hungry defenders

From our own Correspondent in Brussels

The European Community and its 10 member states have sent or promised nearly 1.5 million tonnes of food to ease the African famine.

The EEC commissioner responsible for aid, Mr Lorenzo Natali, included the latest figure yesterday in a defence of the European aid effort, against criticisms of slowness and inadequacy.

He pointed out that the Community had exceeded the 1.2 million tonnes food aid target pledged by leaders at the Dublin summit last December. —Reuter.

How to improve a plane.

No blinking lights telling you when to sit down.

Pilots who land right in the city centre.

See the country, not the clouds.

Seats face each other. See who you're talking to.

No need to belt up.

Fresh meals on real plates with real knives and forks.

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Two abreast seats, so you're always near a window.

Wider aisles, so you can go for a stroll.

Proper tables instead of pop-out plastic postage stamps.

Bigger seat space so your neighbour can't recline his head on to your lap.

Wider seats with plenty of legroom.

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Kremlin leader's health now
an open Soviet talking point

Chernenko looks ill as he appears in public again

From Martin Walker
in Moscow

President Konstantin Chernenko, looking frail, made another brief appearance on Soviet television last night. He was shown being presented with his credentials as a deputy of the Supreme Soviet, to which he was elected in polls on Sunday when he was shown raising his ballot in his first public appearance for two months.

Last night's early television news programme, Novosti, led with a still photograph of Mr Chernenko being presented with his deputy's card. Shown in profile, his cheeks sunken, he looked like an old man still in the grip of, rather than emerging from, a serious illness.

At Mr Chernenko's side was the Moscow party chief, Viktor Grishin, aged 70, who has assumed growing prominence during Mr Chernenko's illness. He was also at his side on Sunday, when Mr Chernenko unexpectedly appeared in public to cast his vote.

Last Friday, when Mr Chernenko was too ill to deliver his election address, it was Mr Grishin who addressed the Kremlin audience and gave the first public confirmation of the Soviet leader's illness.

As the longest-serving member of the Politburo, with 14 years' experience in the Cabinet, Mr Grishin seems to be emerging as the older generation's candidate to succeed Mr Chernenko. If the bandwagon which appears to be carrying Mr Mikhail Gorbachev, regarded as the Kremlin leader's successor, is to be stopped, then, of the older generation, Mr Grishin or the veteran Foreign Minister, Mr Andrei Gromyko, seem the only ones with the political weight to do it. But

neither man has any power base inside the key state apparatus, the Communist Party Central Committee, and most Western observers discount their chances for this reason.

After Mr Chernenko's brief appearance at the ballot box on Sunday, when he needed support to stand, people here have been talking openly for the first time of their leader's illness. Several have suggested that he was clearly so weak that it was cruel to show him on television in such a state. Last night's sad picture can only reinforce that compassion.

Those Western observers here who tend to interpret such events in terms of Kremlin power struggles take the view that one faction in the Kremlin thought it worth taking a medical risk to show that Mr Chernenko is still a political force to be reckoned with.

But informed Soviet sources have another explanation. They suggest that Mr Chernenko is personally deeply committed to renewed détente with the US, and is determined to take risks with his own health to be seen backing the new Geneva negotiations.

Soviet papers yesterday carried yet another personal letter from Mr Chernenko to private citizens in the West. In this one to American Second World War veterans, he said: "How humbly simple and right it was for you to say in your letter to me 'Descendants of the Russian and American soldiers who met and embraced on the River Elbe in 1945 can no longer be enemies.' I completely share your view: This is our debt to those who struggled hand-in-hand against the forces of evil and tyranny. Soviet-American cooperation is of vital importance today when it comes to the question whether life will survive on earth or not."

Warsaw says food prices will rise

Warsaw: The government said yesterday that it would increase food prices before the end of June in three stages but did not indicate how big they would be.

The Deputy Prices Minister, Mr Antoni Gryńiewicz, told State news agency that details would be made public this week and that the first round of increases would affect bread and sugar. Commentaries in the official press made it clear that the authorities have not backed down on the unpopular increases although the government agreed not to impose across-the-board increases in March in response to trade union pressure.

TWO thousand criminals released from gaol under an amnesty last year to mark the 40th anniversary of Communist rule in Poland have been rearrested on fresh charges, newspapers said yesterday.

They were among 35,564 prisoners freed amid widespread public fears of a surge in the crime rate. Parliament's justice committee was told. Most of those back in custody are accused of robbery or assault, but three leading dissidents are also back in gaol. — Reuters.

Zygie Warszawy, the country's biggest daily, said: "Some people wrongly read (the government's decision) as a complete abandonment of price rises. There should be no illusions in this respect."

Solidarity cancelled a call for a 15-minute general strike due to have been held yesterday in protest against the increases, after the government said it would reconsider its original proposals. The plans which the authorities withdrew

would have raised the cost of living by up to 4.2 per cent. The officially-recognised unions rejected them as inflationary and damaging to workers' living standards.

Mr Gryńiewicz said: "The first stage is planned to include price rises of products which aroused the fewest reservations during consultations with four and grain products. Such a growth will be accompanied by the lifting of rationing but the increase in the price of flour must be followed by price rises for bread and other grain products."

He did not indicate when rises would be introduced for more sensitive items, including meat which is rationed, but added: "The concern for market equilibrium ... does not make it possible to spread out these price rises over more stages or to introduce them over a longer period than the first half of 1985."

Food prices have not been increased since February, 1984, although farm procurement prices rose 10 per cent last July and are due to be reviewed again by the end of June.

The government daily, Rzeczpospolita, said: "To freeze food prices would mean drastic cuts in farm production ... (they would) inevitably lead to empty shelves, enormous queues and shortages of food products, even those in surplus today."

Rzeczpospolita stressed that several hundred thousand people had taken part in several weeks of consultations with the authorities about three sets of price rises proposed by the government.

"Price rises are an economic necessity but ... should be accompanied by increased production to achieve market equilibrium," it added. — Reuters.

Bonn and Paris try to close space gap

Paris: President Francois Mitterrand and Chancellor Helmut Kohl sought to bridge their differences on a range of issues yesterday at a regular Franco-German conference at the Elysee Palace.

Fog delayed Dr Kohl's arrival by more than two hours, postponing the meeting until after lunch. Meeting between the two leaders with only interpreters present. Aides said the two leaders, to be joined later by senior ministers, were hoping to align their views on President Reagan's Star Wars programme and other issues.

There are differences of approach between Paris and Bonn over whether Western Europe should associate itself with the US research into space-based defensive systems. However, French officials say political analysts in the two capitals agree that nuclear deterrence, the main pillar of

French policy, will remain viable at least until the end of the century.

The two governments are at odds over France's desire to expand the role of the European Currency Unit and over a planned increase in Community budget resources this year.

West Germany's ruling centre-right coalition parties have agreed that participation in Star Wars research is desirable in principle, but only if other allies join in.

Coalition sources said yesterday that the agreement, reached at a meeting of the three coalition parties would not officially be made public for the time being.

It was worked out in a draft parliamentary motion to counter a motion by the opposition Social Democrats which rejects the plan. — Reuters.



A frail looking President Chernenko as he appeared on Soviet television last night receiving his credentials as a deputy of the Supreme Soviet. Centre is Mr Viktor Grishin, seen as a possible successor

Spain avoids Star Wars controversy

From Jane Walker
in Madrid

Spain will make no public pronouncements on Star Wars, the Foreign Minister, Mr Fernando Moran, yesterday told the Soviet Foreign Minister, Mr Andrei Gromyko, when he arrived here.

Mr Moran added that the subject of nuclear arms in Spain would probably be raised during his conversations with Mr Gromyko. "We will exchange our different viewpoints," Mr Moran said.

Spanish reluctance to support publicly President Reagan's Star Wars project is interpreted by Western diplomats in Madrid as an indication of the Socialist government's policy of maintaining some margin from Washington.

Mr Gromyko immediately began a round of conversations with Spanish leaders, beginning with a lunch with the Prime Minister, Mr Felipe Gonzalez, who then left to fly to Uruguay for the swearing in of the new Uruguayan President. Mr Gromyko is to be

received by the King today. Mr Moran said that there was no fixed agenda for their meetings, although the two ministers are due to sign a series of trade and cultural agreements. He said that the King and Queen paid an official visit to the Soviet Union last year.

"We want to improve bilateral relations with all countries, including the Soviet Union," Mr Moran said. Recently, two US diplomats were expelled from Spain for spying.

years, after the 40 year gap during the Franco dictatorship. But trade agreements have been in force since 1972. To cement the improved relations between the two countries, the King and Queen paid an official visit to the Soviet Union last year.

Spain and Russia have had diplomatic relations for eight

Belgium ready to back cruise installations

From Derek Brown
in Brussels

A Belgian decision on deployment of US cruise missile is imminent. The announcement could even come today.

Government sources, however, believe that the Prime Minister, Mr Wilfried Martens, is more likely to give his final verdict to parliament any time from Monday.

Few observers now doubt that Mr Martens will give the go-ahead for the installation of 48 cruise missiles at the Flannes airbase, 50 miles south of Brussels. The timing of the first deployments—originally due in mid March this year—remains uncertain.

The coalition government here, assailed from within and without critics of cruise, has agonised and prevaricated about deployment for three months. American and Nato disunity at the vaccination has softened in recent weeks, with growing evidence that Belgium will stand by the 1979 alliance decision to install cruise and Pershing II weapons pending an arms control agreement by the super powers.

The Belgian missile question will be prominent in talks between Mr Martens, and the Prime Minister, Mrs Thatcher, at Chequers tomorrow. The meeting, described by aides on both sides as informal and private, will cover Nato issues,

and the latest political developments in the European Community.

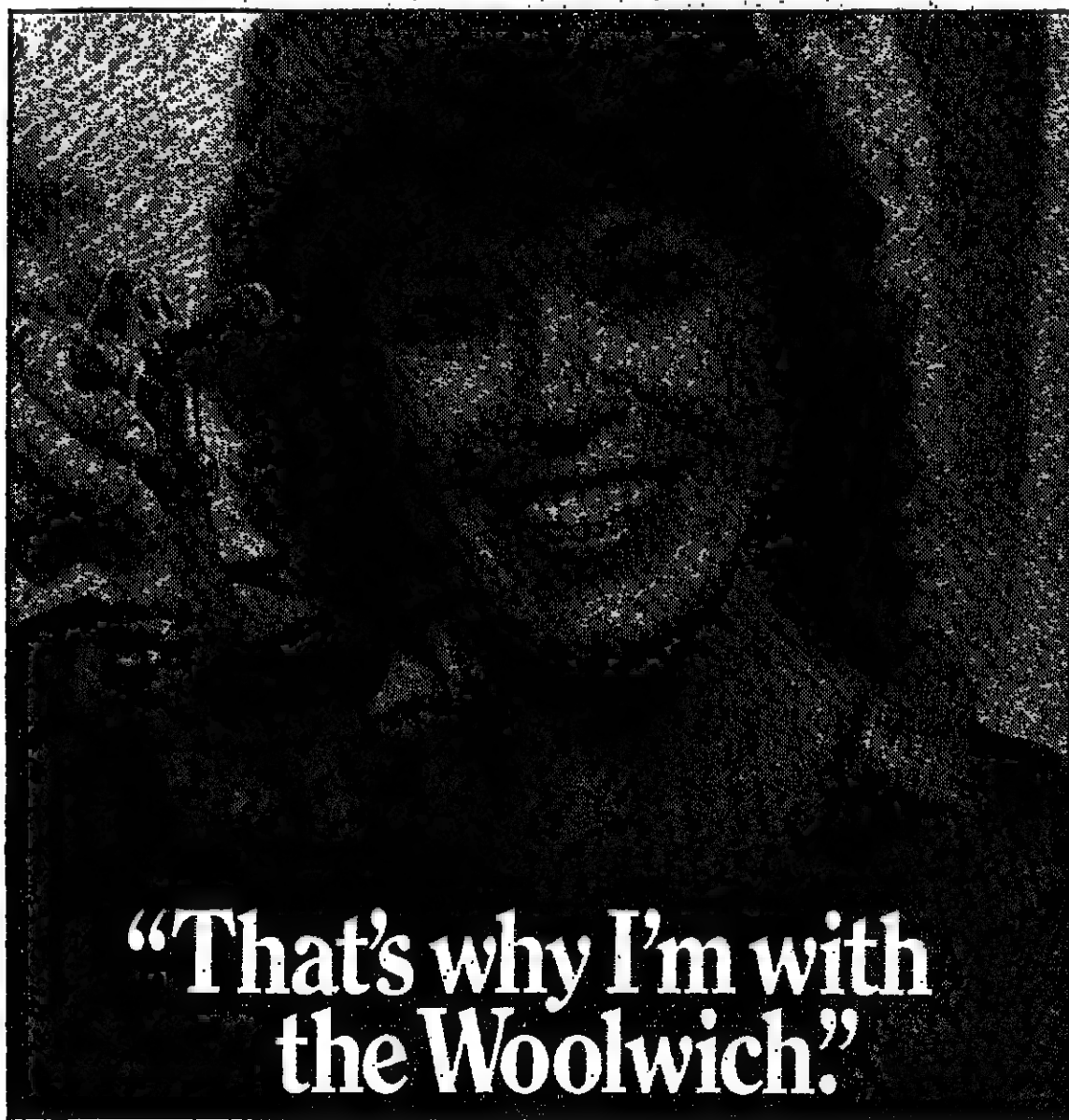
Mr Martens, leading his fifth coalition government and eager to form a sixth following general elections due by the end of this year, has promised a missile decision by the end of March.

Diplomats here believe he is being advised to give his decision in advance of the resumption of US-Soviet arms talks in Geneva on March 12. That would take the sting out of one of the main arguments of the peace movement and other anti-missile campaigners, that the arms talks should first be given a chance to produce results.

Already, the tide of public and political opinion here has turned towards an early and positive decision. The anti-missile faction in the Prime Minister's own Flemish Christian Democrat party is much less vociferous than it was at the end of last year. Also, party managers are alarmed about the potential drift of centre and rightwing elements, who are annoyed by the dithering, to the pro-missile junior coalition Liberal Party.

The peace movement, too, has failed to mobilise mass opposition to deployment, although it has promised demonstrations for next month, and for October.

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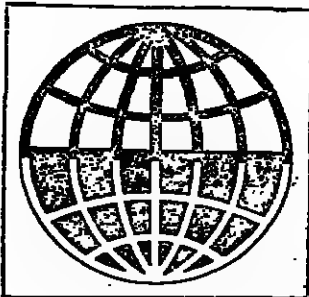
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THIRD COLUMN

Army offensive

SRI LANKA today faces its worst ever crisis since it gained independence from Britain in 1948. President Jayewardene's all-party conference to find a solution to what is known as the Tamil problem, or the ethnic issue, produced a "consensus" which was promptly rejected by the three most important sections of the country — Mrs. Bandaranaike's Sri Lanka Freedom Party (SLFP), the Maha Sangha (hierarchy of the Buddhist clergy), and the Tamil United Liberation Front (TULF) itself. The government dropped all its proposals based on the "consensus".

The all-party conference was a dead duck from the start, and a misnomer too. The SLFP, the only opposition party in parliament that can hope to form an alternative government, boycotted it from the beginning on the grounds that the present crisis was of the Government's own making. The TULF, whose grievances the conference was all about, attended half-heartedly and then, more to please India than itself.

The Buddhist clergy on mass opposed, tooth and nail, any suggestions of provincial councils with regional autonomy. Any proposals on these lines put before parliament must be those drafted by the Maha Sangha, and no other, its spokesman said. If any other proposals were put before parliament, the conference would be "sabotaged" for every clause in the Bill.

Mrs. Bandaranaike, former Prime Minister and leader of the SLFP, said in a statement that her party boycotted the conference because the Government's purpose seemed to be "to wear out the terrorists by military action while the conference dragged on so that the terrorists and, by the same token, the Tamil leaders, would become more amenable to peace on any terms to gain a respite." That was a wrong assessment, she said, because "the terrorists are actually extending their operations." The Government also hoped to change the image of Sri Lanka, internationally, from a nation mistreating its minorities to that of a nation embattled by terrorists.

The TULF said it was returned at the general election of 1977 with a mandate to work for a separate state, but it was willing to consider a "viable alternative." And to take part in further discussions for that purpose. But the proposals from the conference did not meet the demands of the Tamil people. The Cabinet, it is reported, asked President Jayewardene to continue his efforts to find a political solution while at the same time taking all measures to eradicate "terrorism". But now that the Buddhist clergy — Buddhists are 69.3 per cent of a total population of 15 million — seem set to oppose even the most concessions to the Tamil minority, it is hard to see what sort of political solution President Jayewardene has in mind.

A military solution can only mean destroying the Tiger (guerrilla) Movement, and if he way in which the armed forces are going about that task is anything to go by, it may also mean the smashing of a good part of the Jaffna peninsula and the complete extermination of the Tamil people.

In the meantime, the pursuit of a military solution goes in the armed forces' principal means of achieving this seems to be through reprisals — reaped on the civilian population for killings of troops by guerrillas, and the mass burning-up, detention and questioning of men between the ages of 15 and 35. Even as it is written 400 youths have been taken in by the army in afflu for questioning.

The guerrillas, for their part, don't only ambush and kill servicemen. They continue to rob banks and government offices, to mine roads likely to be used by the army, to kidnap politicians, to sack government buildings, to use government vehicles and transport, board buses, and shoot Tamils known to be officers or army informers. And most of this is carried out in broad daylight while all private vehicles, including bicycles, are prohibited on the roads.

But a Sinhalese army in afflu is and behaves like, an army of occupation.

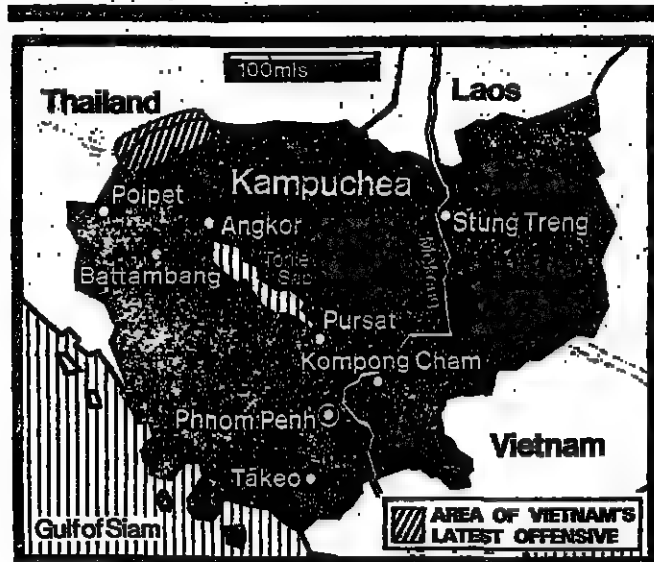
When the Tiger Movement began to make its presence felt in the late 1970s, the people of Jaffna were against it with a mandate to get out terrorism and immediately set about harassing the civilian population.

Detained, harassed, and eaten youths who had no intention whatever of going over to the Tigers, were, indeed, flocked to the Tigers' banner.

A. E. Rigby



Kampuchean refugees, above, on the Thai border and, right, a Khmer Rouge soldier with a rocket-propelled grenade used in the border fighting with Vietnam



- 1953 — Cambodia independent from France under neutralist Prince Norodom Sihanouk
- 1970 — General Lon Nol takes over in CIA-backed coup leading to civil war
- 1975 — Khmer Rouge victory led by Pol Pot and Khieu Samphan
- 1979 — Vietnamese army installs Heng Samrin government, but People's Republic of Kampuchea does not receive UN recognition
- 1982 — Democratic Kampuchea government in exile formed with Prince Sihanouk as President, Khieu Samphan as vice-President, anti-communist Son Sann as Premier, after strong US/China pressure
- 1982 — 1985 China demands Vietnamese withdrawal from Kampuchea before it will talk with Hanoi

- Vietnam conducts dry season offensives on Thai-Kampuchea border with increasing success.
- The UN recognises credentials of Democratic Kampuchea, calls for UN-supervised elections.
- ASEAN supports the three-faction coalition, but Indonesia and Malaysia keep door open to Hanoi.
- PRK government in Phnom Penh offers talks with Sihanouk, but insists Khmer Rouge, responsible for millions dead, must be excluded.

As Prince Sihanouk called this week for a conference involving the Soviet Union, China, Vietnam, Australia and ASEAN members, NICHOLAS CUMMING-BRUCE reports

Kampuchea's refugees in the crossfire with nowhere to go

AN ARTIFICIAL leg leaned against the red mud wall of the ditch in which 25-year-old Nhep Heng lives with his wife and baby daughter, beneath a strip of blue plastic sheeting draped over bits of wood. Heng lost his leg a couple of years ago fighting for the Khmer Peoples National Liberation Front when he stepped on a mine during an operation against the Vietnamese near the resistance group's headquarters at Amphil. His fighting days are over but as a fugitive from Vietnam's latest offensive along the Thai-Kampuchean border, the danger is not.

He and some 31,000 others live in crowded, wretched conditions at a location known as Site One beside the border, where they were evacuated after the Vietnamese overran Amphil early in January. For the first few weeks they suffered almost daily shelling by the Vietnamese, not into the camp but close enough to the perimeter to keep the population in a permanent state of fear.

During the past week or so, the shelling has stopped and the season subsided, but it is rising again. Having knocked out the major Khmer Rouge strongholds round Phnom Malai, to the south of the Thai town of Aranyaprathet, Vietnamese troops now seem to be preparing for mop-up operations along the border to the north of the town. Site One and another nearby may again be in the firing line. Inhabitants of Site One, however, are only a few of the refugees deposited in Thai-

land by Vietnam's latest offensive against Kampuchea's three resistance groups. More than 230,000 Khmers have now been pushed across the border, about 200,000 of them in the last three months.

Their plight has been largely eclipsed by interest in recent fighting in which Vietnamese forces have smashed all but one of the resistance bases on the border. Site One and its neighbour, Site A, are the most exposed, but for civilians at safer locations the offensive has proved traumatic.

"There was a tremendous sense of shock and depression," one worker recalled after the fall of Nong Samet, the highest of the KPNLF camps hit on Christmas Day. "For days after, many people just couldn't do anything."

Basic food, water, and medical aid for the evacuees is provided by the UN border relief operation, which last month requested extra contributions to its \$36.7 million budget from donor governments to cover the additional expenses of relocating so many people.

But cramped conditions, rudimentary shelter and sanitation have raised the incidence of sickness, particularly among children. "Health conditions are deteriorating," one relief worker reported, "and women are so afraid they don't take proper care of their children."

Extra funding was expected, in spite of the competing claims of African

disasters and some donor impatience with the seemingly never-ending needs of the Kampuchean border programme. But the money is a palliative to immediate needs, and longer term solutions do not exist.

The population of Vietnamese-hit camps, admitted to Thailand on a temporary basis only, have in previous years gone back to former or new settlements with the onset of the rainy season, when Vietnamese troops pulled back to more secure bases. This year promises to be different. Vietnamese diplomats believe, will be determined to keep its forces if not in the bases they have captured, then sufficiently close to the border to deter occupation and threaten any new major settlement.

Uncertainty over the future of the Khmer border inhabitants has been magnified by inconsistencies in Thai policy on evacuation sites and diplomats say, signs of disagreement among the various authorities involved.

Former inhabitants of Nong Samet, were moved, from a relatively safe evacuation site to one at Khao-I-Dang, several miles from the border. Yet, in spite of lobbying by UNbro and the International Red Cross to move Site One and Site A a much shorter distance to a more secure location, the authorities have not agreed.

"No-one has come up with a suggestion, let alone a satisfactory suggestion, about how to do it," one diplomat commented. "Whole new con-

cepts come into play. Are we going to have two grades of refugees? Does it mean we have to provide resettlement in third countries for another 250,000 people?"

The resettlement option almost certainly does not arise. After accepting more than a million Indo-Chinese refugees in the last six years, western governments are closing the door. "It would create a new flow of refugees," one refugee officer commented. "The queue would stretch all the way to Ho Chi Minh City."

In spite of present Thai policy, one diplomat concluded, "many people will be staying in Thailand longer than is realised. You won't find many people backing a return to the status quo of large border camps."

The uncertainty reflects the difficulty Thailand and the relief agencies face in finding a solution that takes account of Thailand's security, what Vietnamese troops may do on the border, and the humanitarian needs of the civilians. Another major consideration will be the implications of any movement of civilians for the resistance struggle inside Kampuchea.

For the Khmer Rouge, hardened to guerrilla warfare and already operating deep inside Kampuchea, the issue may not be of major concern. For the non-Communist groups and the KPNLF in particular, however, as one diplomat remarked, "it will be harder to get their forces to fight unless their families are

at hand, not necessarily in the same camp, but accessible."

KPNLF civilian officials agree. A Khmer official at Bang Poo, an evacuation site set up beside Khao-I-Dang for those Khmers accepted as eligible for resettlement overseas, says: "We are linked to the resistance. If possible we should find a camp close to the border, say five kilometres away, to organise support for the guerrillas."

Levels of commitment, however, vary widely. Inhabitants of Amphil now at Site One are most preoccupied with finding greater security but still echo the sentiments of officials, hoping to return to the border. In Bang Poo, set up for refugees from Nong Samet, many of them drawn there as much by its thriving market as commitment to resistance struggle, the mood was more ambivalent.

"People here think the resistance will continue from outside to attack the Vietnamese if we have support and weapons," one political camp resident observed. "We can't push them out but we can make it too difficult for them to stay."

But proximity to Khao-I-Dang, whose 27,000 legal inhabitants are being screened for a campaign, has also affected thinking. "Most people think about resettlement. We don't want to hear the bursting shells," another camp resident remarked. "Here there is more hope than if we go back to the border."

WORLD BANK

Credit to Grenada

Teresa Hayter and Catharine Watson on why the island is back in favour

IN 1983, the World Bank performed an uncharacteristic about-turn. It finally produced a favourable economic report: it had "come out to bat" for Grenada, said one of its officials, much to the disgust of the US administration. The bank said that as the Caribbean island's airport had been nearly completed, on the basis of "soft" finance provided by Cuba, its objections no longer applied. The Grenadians said that they had refused to accept the officials' bank originally intended to send on its mission to Grenada, on the grounds of their blatant ideological hostility. The report was written by Pfeifferman, a senior and occasionally enlightened economist in the Latin American and Caribbean region.

It would in fact have been hard for the bank to find technical grounds on which to criticise Grenada. During the years of the revolution, it was one of the very few countries in the world which had steady economic growth, with no balance of payments or debt crises. It had adopted a new investment code which was favourable to foreign private investment.

As the IMF official said, its economic policies were "most pragmatic," the Grenadian letter of intent to the IMF, he said, should have been published as a means of refuting the allegation that Grenada was "going communist."

Situationally enlightened economist in the Latin American and Caribbean region.

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More than just bananas, above, Grenada is now in the money.

users could not really provide the bank with grounds for objection, since there were no budgetary and financial problems.

At the time of the US invasion of Grenada, the bank was said to be discussing a loan in the agriculture sector. Whether or not the bank would have followed up its report by making a loan to the People's Revolutionary Government (PRG) in Grenada in the face of US opposition will thus not be known. The bank's embarrassment about its report could conceivably explain the fact that the Grenadian mission to the Organisation of American States in Washington, which had run out of copies of the bank's report, was unable in September, 1983 to obtain further copies from the bank. The report, of course, not published.

Probably the most blatant recent example of openly political US intervention in the operations of the bank is in Vietnam. After the liberation of South Vietnam, the World Bank had been negotiating a loan for a continuation of its substantial lending programme. Negotiations in Hanoi, according to the World Bank officials who had been engaged in them, were proceeding well. The bank was impressed by the "quality of middle level officials" in Hanoi and the thoroughness

with which the many projects presented to it had been prepared.

McNamara, returning from a trip abroad, was met by Ernie Stern, senior vice-president of the bank, and told that the US executive director had warned him that any World Bank lending to Vietnam would jeopardise the prospects for IDA replenishment. No more loans have been made to Vietnam.

In fact, during the period when the country had a military government which the Cubans optimistically described as revolutionary, the bank made only one loan between 1968 and 1973. The main problem was apparently the question of compensation, mainly for the US oil company IPC, which the Velasco government had nationalised. When Peru came to terms with the US government in the Greens agreement in 1974, money from the bank arrived to help aid agencies poured in.

In Ethiopia, the bank carried on lending to the military government which overthrew Emperor Haile Selassie for some time, apparently on the basis of promises to compensate foreign interests, but then stopped.

The bank stopped lending to Brazil under the left-leaning government of Goulart; it resumed lending when Goulart's elected government was overthrown in the 1964 military coup.

So much for the bank's political impartiality.

This extract is taken from the author's book, *Aid, Rhetoric and Reality*, published this week by Pluto, £4.95, paperback.

DEBTS

Benefits by default

Sue Branford on how non-payment could solve the debt crisis

IF A Big Third-World debtor were to default on repayments would the world banking system collapse, as has been frequently predicted? In an original new book entitled *The Costs of Default*, Anatole Kaletsky, a feature writer at the Financial Times, says that this is unlikely. On the contrary, he argues, a default, if

astutely prepared and calmly received by the creditors, could be a chance to resolve the world debt crisis, which, he claims, though little in the news, is becoming increasingly dangerous. Contrary to popular opinion a default could benefit both debtors and creditors.

Kaletsky is not talking about an outright repudiation of debt, which might well provoke serious reprisals from the creditor nations, particularly in the US. Instead, he is discussing what he calls "conciliatory default," which is a kind of selective default. He suggests that a debtor could decide to stop servicing its medium-term debt, but go on honouring both its debts to the IMF and the World Bank, and its trade credits.

A move of this kind, he suggests, could be made in a conciliatory, non-aggressive way, with the country continuing to take overall responsibility for its debts, but simply saying that in the conditions at that time it could not afford to continue paying.

Such a move would create a dilemma for the US. Kaletsky argues that the sanctions available to the banks would be ineffective, and could even be counter-productive in that they could provoke the debtor into outright repudiation. The only authority which could impose crippling sanctions would be a government. But would a government, most likely the US government, take such a move?

Kaletsky doubts it. In such circumstances, he says, the US government would be primarily concerned to prevent the collapse of the US economy. It would also want to limit the damage done to US investments in the debtor country. It would be aware of the political dangers for the US of retaliation. All these factors suggest that the US government would react cautiously.

The declaration of a conciliatory default does not rule out a negotiated agreement.

Anatole Kaletsky, *The Costs of Default*, A Twentieth Century Fund Paper, Priority Press Publications, New York, 1983.

Victoria Britain, Third World Review editor

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NORTH/SOUTH

Global view

A NEW publication from the new Zealand House, London, stable of Allaf Ghanbar is an annual — Third World Affairs, 1985. The Third World Foundation already publishes Third World Quarterly and Third World Review, the monthly South magazine.

Cheryl Payer, one of the few authors who can make readable drama out of the world financial system, opens the annual with a flourish. Her article looks back at the IMF's relations with Third World countries in the 10 years since she wrote *The Debt Trap*. That book, known as *The Third World Finance Ministers' Unfavourite Reading*, has become a classic as its grim forecasts came true. New case studies of the economic, political and social consequences of IMF stand-bys bear out the crises she outlined then in Brazil and the Philippines. Her conclusion now is more sober than ever.

"The IMF cannot solve the debt crisis... because it has been its management of the world economy which has caused the crisis."

Many of the articles are by Third World academics, filmmakers, and others too little known in Britain. A long and

rare interview with Prince Sadruddin Aga Khan explores the role of his Independent Commission on International Humanitarian Issues.

Land grab

ECHOES of the Vietnam war are evident on the Philippine island of Mindanao, reports the Roman Catholic church there. In an anti-New Peoples Army campaign, villages have been relocated in "sitios" or strategic hamlets. The government army command paraphrases Mao Tse-tung, telling the villagers that "we must drain all the water from the lake in order to catch the bad fish." But the farmers of Laac (the area worst affected) suspect that the real reason for relocation is so that the army can take over their lands for plantations. Their fears are described in a new survey of human rights in South-east Asia, edited by Soebie and Wiseberg, from Zed Books.

Amnesty hope

WITH the inauguration yesterday of Uruguay's first civilian president for 12 years, the fate of the jailed leaders of the Tupamaros, Latin America's most successful urban guerrilla movement, now rests in the lap of the

elect assembly. In the early 1970s the Tupamaros came close to toppling the government with a campaign of sabotage and kidnapping that had active collaboration and tacit support from large sectors of the population.

As part of the agreement to hand back power the army has slowly been releasing Uruguay's political prisoners. The roughly 315 who remain in prison are almost all former Tupamaros, including their leader Raúl Sendic. Many are in a poor state of health. The new president, Julio Sanagué, is against an amnesty for prisoners sentenced for violent crimes, although he supports an amnesty for the outgoing generals — unlike Argentina.

But the two other parties, the centrist Blancos and the Left-wing Broad Front coalition, favour a full and unrestricted amnesty. They have a small majority in the assembly and the battle is now on to see if it is enough to get the Tupamaros out.

THE fourth International Black and Third World Book Fair opens later this month in London after a festival and exhibition in Manchester next week. Linton Koss Johnson, Mahmood Jamal, and Abdul Malik Decouteau are the stars of the Sunday night final event of poetry and drumming.

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The spymasters who broke their own rules

The IBA is still refusing to show the controversial 20/20 Vision film on MI5 and the Special Branch. Here, for the first time, is an edited transcript of the programme with the detailed quotations from the two former MI5 employees which have caused such a political furore

ALTHOUGH the two former MI5 employees, both women, are covered by the Official Secrets Act, they have decided, in the public interest, to talk about their work.

They don't know each other. But during their service, they each became alarmed at the extent of MI5's clandestine operations in Britain, spying on political parties, trade unionists and pressure groups like CND whose views are dissenting but not illegal.

One of the women was an MI5 clerk. She wants to remain anonymous but has sworn long, detailed statements, revealing how MI5 targets certain trade union leaders and taps their telephones. She said:

"I think it is totally unjust and immoral to direct these surveillance techniques and operations against decent and law-abiding trade unionists and members of legitimate political parties and organisations like CND."

The second woman, Cathy Massiter, was an intelligence officer who actually ran MI5's investigation into CND. She left MI5 a year ago. She's taken the unprecedented step of speaking publicly because of her worries about MI5's secret operations against CND. She said:

"We are violating our own rules. It seemed to be getting out of control. This was happening not because CND as such justified this kind of treatment but simply because of political pressure. The head was there for information about CND and we had to have it."

In 1970, Cathy Massiter was a dissatisfied librarian. She went back to her university appointments board, seeking a new career. She explained:

"They were aware of a job going with M.O.D. which they understood was to do with processing information. They knew very little about it — they couldn't give me any details."

I got a letter from B branch, the personnel branch of MI5, not of course identifying themselves as such but saying could I come for an interview. Suddenly, I found myself a member of the staff of MI5.

Most of MI5's work isn't glamorous — it's painstaking and tedious. Cathy Massiter spent many years in B branch, which, among other things, studies left wing subversives in industry.

Much information about trade unionists is supplied by Special Branch officers, the policemen who work most closely with MI5. Britain's 1950 Special Branch officers investigate terrorism, espionage, sabotage and subversion. New Home Office guidelines published last December state: Subversive activities are those which threaten the safety or well being of the State and which are intended to undermine or overthrow Parliamentary democracy by political, industrial or violent means.

The programme dealt with two cases of Special Branch infiltration of legal organisations. One was by a man named White, recruited by the Special Branch after he became a member of the National Front. On the programme White admitted taking part in beatings and burglary to protect his cover within the NF.

The other was described by a man named Mackie, a Manchester councillor who explained that someone he knew infiltrated Friends of the Earth for the Special Branch. Councillor Mackie's contact confirmed that he did work for Manchester Special Branch but refused to be interviewed about why he was monitoring FoE and also the National Council for Civil Liberties.

The Home Office guidelines go on: Data on individ-

uals or organisations should not under any circumstances be collected or held solely on the basis that (such) a person or organisation supports unpopular causes.

They don't say "unpopular" with whom. However, NCCL was certainly unpopular with MI5. During the mid 1970s, under a Labour government, an assistant director at MI5 personally had NCCL targeted as a subversive organisation.

Cathy Massiter explained: "Anyone who was on the National Executive of NCCL, who worked for NCCL, or who was an active member to the degree of being, say, a branch secretary of NCCL, would be placed on permanent record and the routine enquiries would be instituted to identify such people and police inquiries were sought."

Q. What would you ask the police to do?

A. The police were actually sort of asked to identify branch secretaries in their area and report on the activities of the NCCL.

Q. Did the police or Special Branch have agents, as such, inside NCCL?

Cathy Massiter remembers some of the many NCCL officials that MI5 recorded: "People like Patricia Hewitt (presently an adviser to Neil Kinnock) who used to be its general secretary, Harriet Harman (Labour MP) who used to be its legal officer. They would be put on record as communist sympathisers. Hewitt because of her close association with somebody who was at the time a member of the Communist Party, a close personal association."

Q. But she's now in close political association with the leader of the Labour Party.

A. That's right.

Q. But you did nothing wrong, nothing illegal with her political activity.

A. No, no.

Q. Yet MI5 has a file on her.

A. Yes.

Q. Do you think that's right?

A. No, I don't.

Q. But MI5 clearly do.

A. Yes.

Q. But how did it happen that an assistant director at MI5 was personally able to have NCCL targeted in this way?

A. What seems to have been the deciding factor was his own view that NCCL's attacks on certain institutions such as the police were deliberate attempts to undermine these institutions.

TAPPING telephones and infiltrating trade unions is carried out by MI5's "F" branch, now considerably expanded since the early 1970s. In her statement, the other former MI5 employee, a clerk, says they tapped the phone of Duncan Campbell, a prominent writer on the defence and intelligence matters. They wanted to trace his sources. Left wing trade unionists were tapped too.

During the 1977 firemen's strike, officials of the Fire Brigades Union were convinced that telephones at their strike headquarters in Leeds were tapped.

Soon after the firemen's strike ended in 1978, the MI5 witness joined the Security Service as a clerk and began attending training sessions. She said:

"A woman lecturer told us rather boastfully that MI5 had long-term moles inside certain trade unions so deep that even their own families didn't know their 'use purpose'."

Cathy Massiter did not know the clerk but she began her Security Service career on the industrial desk in 1970. She confirms that MI5 does have moles inside trade unions.

In her sworn statement, the former MI5 clerk reveals the names of some left-wing

trade unionists targeted by the security service for telephone taps and even a break-in.

Margaret Witham of the Civil and Public Services Association:

Mick Duggan of the same union:

Derek Robinson, then a British Leyland shop steward:

Mick Costello, a Morning Star journalist and a Communist Party official:

Bill Dunn and Gerry Cohen, two other Communist Party officials; and John Dossan of the Socialist Workers Party.

Cathy Massiter was also aware of phone taps on trade unionists deemed subversive by MI5.

"Whenever a major dispute came up, or something at Ford or the mines, or Post Office, there was a big Post Office strike while it was there, immediately it would become a major area for investigation: what were the communists doing in respect of this particular industrial action and usually, an application for a telephone check would be taken out on the leading comrades in the particular union concerned."

But according to the former MI5 clerk, certain telephones were tapped in the late 1970s irrespective of any industrial dispute. She said:

"Mick McGahay, a prominent communist and miners' leader and a member of the Scottish TUC, was subjected to extensive surveillance, including the tapping of his home telephone."

She learned that MI5 bugged McGahay's London hotel and a cafe where he met other trade unionists. Arthur Scargill's phone was tapped too during the late seventies.

Scargill himself would occasionally shout abuse into the phone at the people who were tapping him."

Was it likely that Arthur Scargill's phone would have been tapped during the latest miners' strike? Cathy Massiter:

"I would think it very likely, highly likely, in view of his particular history and his known political views."

In late 1978, the Labour government was fighting for its life. Its ability to contain the unions and enforce its pay policy turned crucially on what happened to pay negotiations at the Ford Motor Company.

Syd Haraway, a communist, then shop steward, conveyed at Ford's car plant in Dagenham. His phone was permanently tapped and the MI5 clerk transcribed his calls:

"This seemed to be economic information from within a legally constituted trade union organisation which the Security Service and the government had no right to know."

We asked Cathy Massiter to speculate on why such economic information might have been sought.

"Well, I can only assume that it was requested because the Department of Employment was seeking in some form, this information. It surprises me in a way it was done so blatantly."

The only published document governing MI5's conduct is called the Maxwell Fyfe Directive, named after the Home Secretary who issued it in 1952. It says: "No inquiry is to be carried out on behalf of any government department unless you are satisfied that an important public interest, bearing on the defence of the Realm, is at stake."

We asked Cathy Massiter

if it would be legitimate for MI5 to pass on information about union pay negotiations, obtained via a phone tap, to a government department:

"I would say not and it highlights very clearly, this extreme ambivalence between what the security service is there to do, what it perceives itself as being there to do, to study subversion, and what actually happens in practice which is in effect to broaden the study quite a long way beyond those basic guidelines."

In her sworn statement, the former MI5 clerk says she was told that MI5 broke into the home of Ken Gill, a communist, general secretary of TASS, the white collar section of the engineering union, and a member of the TUC's general council. His home telephone was tapped but he got even closer scrutiny during the 1970s when TASS, the draughtsmen's union, planned to merge with the engineers, she said:

"His home had been broken into and a bug placed inside a room to monitor talks between Mr Gill and other trade unionists prior to or during the merger. I found this a sinister intrusion into a person's civil rights and privacy."

Ken Gill has confirmed to us that important meetings regarding the unions merger were held in his home during this period.

IN 1981, Cathy Massiter was chosen to take over MI5's investigation of left wing subversive influence within CND. She felt such limited study of CND was legitimate. But she says increasing political pressure meant she ended up studying the organisation as a whole, and led to the Security Service breaking its own rules.

"You couldn't just concentrate on the subversive elements of CND, you had to be able to answer questions on the non subversive elements and the whole thing sort of began to sort of flow out into a very grey area."

Q. This is the dilemma presumably of not knowing someone as a subversive until you monitor him?

A. Yes there is some truth in that, but in that case you know they're going to be monitoring all of us, aren't they?

Her first job was to read MI5's files on CND. In the mid sixties, CND had been classified as a subversive organisation — active members were recorded as communist sympathisers and went into MI5's records. MI5 has two thick files on Bruce Kent, CND's general secretary, and Barbara Egglestone, national organiser of Christian CND, is on file, too.

Q. She's neither a communist nor a communist sympathiser. And yet MI5 has a

file on her? Does that disturb you or anything?

A. Very much, yes."

People like Barbara Egglestone were filed as Communist sympathisers when CND was treated as a subversive organisation. But by the time Cathy Massiter began her study in 1981, CND itself was no longer on the subversive list.

According to the rules, that should have meant that active investigation stopped, and that membership of the organisation was no longer enough to make someone a subversive. MI5's interest in CND should have been limited to studying the influence of Communists and Trotskyists within it. But the practice was different from the theory.

Cathy Massiter believed this was because of increasing political pressure. By 1981, the peace movement, mounting the biggest demonstration ever seen about the peace movement, both in terms of its susceptibility to political manipulation and as a public order issue. That concern was most acute in 1983, election year. In January, Michael Heseltine had taken over as Defence Secretary.

In March, Mr Heseltine set up a special unit called Defence Secretariat or DS19, to combat CND's unilateralist propaganda. Cathy Massiter became concerned after a senior official from the counter propaganda unit DS19 approached her boss at MI5.

Cathy Massiter said: "When they appear to have requested was information about the subversive political affiliations of leading members of CND including members of the national council and people working for CND."

It seems to have been part of an effort what DS19 felt, that they required in order to fulfil the brief that they had been given by the Defence Minister, Mr Heseltine, and they appeared to feel that MI5 were the best people to supply this information."

After the approach from DS19, Cathy Massiter was instructed by her superiors to go through MI5's files, extracting non-classified information on any extreme left wing affiliations of CND's leaders. She did so, and wrote a report which was passed on to DS19. But why was she concerned by this episode?

"It was a very important party political issue. Unilateral nuclear disarmament had been adopted as a policy by the Labour Party, a general election was in the offing and it had been clearly stated that the question of nuclear disarmament was going to be an important issue there. It did begin to

Cathy Massiter — for the security service to provide information on a party political issue contravened the charter

seem to me that what the Security Service was being asked to do was to provide information on a party political issue."

Q. Do you think that's a legitimate function of MI5 and someone like you, an intelligence officer?

A. It's clearly not a legitimate function because it directly contravenes the charter."

The Maxwell Fyfe directive says that it is essential that the Security Service should be kept absolutely free from any political bias or influence."

Cathy Massiter said: "I did express my concern on this issue and know other people did so too, who were aware of the work that I was doing. The difficulty is that having expressed one's view, there is no way of taking it any further. If your view is not accepted you're simply left with the option of accepting the situation or of course ultimately resigning, if you feel that strongly about it."

Before a Home Secretary signs a phone tap warrant for MI5 he has to be sure the case involves:

Major subversive, terrorist or espionage activity;

The information gathered must relate directly to the defence of the Realm;

Normal methods of investigation must have been tried and failed or be unlikely to succeed.

CND's allegations of phone interference caused a row. In the Commons last December, Labour's Shadow Home Secretary Gerald Kaufman, pursued Leon Brittan for answers.

Mr Brittan, like all previous Home Secretaries, wouldn't confirm or deny that a specific target had been tapped. But he did say this:

"There is no doubt that lawful campaigning to change the mind of the Government about nuclear disarmament whether unilateral or otherwise is an entirely legitimate activity which does not fall within the strict criteria of the 1980 white paper."

In fact, Leon Brittan did authorise MI5 to tap the home telephone of a leading CND official in August 1983, two months after the general election.

Cathy Massiter says the possibility of tapping a Communist CND official's phone was first discussed at MI5 the previous April:

"We were prepared to go along with the tap before the general election. But it was deferred because of the election as it was felt that it was too sensitive a matter to go ahead with at the time. In fact, it actually went on, I think, in August 1983."

Q. Why should they feel it

was sensitive: if it was important for MI5 to someone's phone, surely it should not be a consideration that the general election's coming up.

A. "Well, it was, as I have said, a very sensitive party political issue in a general election and if it ever did come out that a tap had been on at that time, the motivation for the tap might have been strongly questioned."

Cathy Massiter did question the need for a tap but she lost the internal argument. So who did she choose?

"John Cox, the vice-president of CND. He was the obvious candidate. He lived in Wales and therefore there would need to be a fair amount of telephone communication between him and CND headquarters. Cox was already well known as a member of the Communist Party. He'd been involved in CND, practically since its inception."

Q. So what additional information on John Cox and his activities did MI5 get from their tap?

A. "Not a lot really that we didn't already know, a bit more detail perhaps."

Q. He would be routinely in contact with Bruce Kent, Joan Ruddock and CND?

A. "There was quite frequent contact yes."

Q. So to some extent, you had no need to tap their telephones?

A. "Not really, no one was getting information about their attitudes on quite a wide range of topics that were concerning CND at the time."

"I've never been a member of CND, I'm not currently a member. I have a lot of sympathy with CND. I don't know that I fully accept their arguments for total unilateral nuclear disarmament by the United Kingdom but I do think the issues that they raise are very important."

Cathy Massiter left MI5 about a year ago. She's talked publicly about these aspects of MI5's activities against alleged subversives which she feels breached the Maxwell Fyfe directive — not its work against terrorism and espionage which she fully supports. However, she's still covered by the Official Secrets Act so why has she spoken out?

"Because I became very concerned during my years studying CND with this question of the definition of what is the legitimate area of study of the Security Service, particularly in respect of subversion because I think it ought to be more clearly defined."

"There ought to be clearer guidelines and I think the only way of achieving this is to get a degree of opening up of the Security Service and some kind of Parliamentary accountability in the end, for it."

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Q. Why should they feel it



Harriet Harman — tapped

Ken Gill — break in

Barbara Egglestone — monitored

Derek Robinson — tapped

Patricia Hewitt — tapped

Mick McGahay — tapped

سكاي نيوز

The ripples of secrecy make waves

In one sense it hardly matters now that Mr John Whitney and the Independent Broadcasting Authority were so pusillanimous last week about not showing the Channel 4 programme, *MIS's Official Secrets*. The film today is far more celebrated than it would have been had Mr Whitney given the go ahead. It has been shown, more than once, to consenting MPs in private. It is scheduled for cinema release next week. A hastily prepared video will shortly be available. And you can read the transcript today on our page 13. What is more, the issues raised in and by this exceptionally important programme are moving politically at last. The Prime Minister has decided to refer the allegations to the ever faithful Lord Bridge, the chairman of the Security Commission. His report will be published, minus the bits which might damage national security. (That could mean one of the shortest HMSO documents of all time.) At the start of the week, the Government had seemed to be treating the film as an unprogrammed intrusion by impersona. The decision to call in Lord Bridge and the lobby hints that some of the allegations are actually true mean that the affair is on course to become a major political scandal.

Meanwhile, Watson, there is still the curious behaviour of Sir Michael Havers to consider. It would, of course, require a special degree of masochistic devotion to duty for any Attorney General to mount a prosecution under Section 2 of the Official Secrets Act so soon after the acquittal of Mr Clive Ponting. The IBA's lawyers clearly miscalculated that point. Nevertheless, in one sense, their caution was entirely logical. In the Channel 4 film, Mr Cathy Massiter and another unnamed former MIS clerk, committed some of the most blatant prima facie breaches of Section 2 yet devised. Scan the list of Section 2 prosecutions down the years and you will be hard put to find one of them which involved bigger issues than the wholesale

abuse of national security surveillance exposed by the two MIS women. Of course, many of the prosecutions have been politically embarrassing and/or controversial. Yet almost all of them, successful or failed, have been of pretty isolated, low grade breaches. Cathy Massiter and her colleague, by contrast, are saying things which are both hugely embarrassing and hugely important. Neither of them, though, is to be prosecuted, if the off the record hints are right.

What is in Sir Michael's mind at this moment? Seven years ago, in opposition, Sir Michael launched an eloquent attack on Section 2 (and Mr Leon Brittan made an equally powerful speech on the same occasion). Sir Michael said that Section 2 was very vague (hear hear). In his view, any criminal statute should be certain. "It is not enough to say," he said, "All right, technically you will be committing an offence but you are most unlikely to be prosecuted." And he continued: "The public interest requires that there is no misuse of secrecy to cover up errors or bungling or to avoid criticism." Today, though, Sir Michael is showing that secrecy can be protected not just by using the Official Secrets Act. In some circumstances, secrecy's best weapon is a decision not to use it. His apparent unwillingness to take Ms Massiter and Ms X to court is dictated not by the fact that there is no evidence. Nor is it the possible decision of a vetted jury that bothers him (or at least, if it is, it is a novel development of the Director of Public Prosecutions' "51 per cent" rule). The decision not to prosecute has been taken because further disclosures would not be in the public interest. No such qualms applied when Mr Ponting was charged under Section 2. No such worries prevented the trials for spying of Mr Geoffrey Prime or Mr Michael Bettaney under Section 1. In all three cases, indeed, the juries were vetted and some or all of the evidence was heard in camera. The MIS women are not being prosecuted because conviction is not worth the row and revelations that would accompany their trial.

There are several precedents for politically motivated decisions not to prosecute. Ramsay MacDonald's government took one in the Campbell case in 1924. More recently, Sir Peter Rawlinson decided to release Leila Khaled in 1970 rather than

risk the lives of hijack hostages. Mr Sam Silkin was hounded through the courts by Mr Goulet for not prosecuting the postal workers during the Grunwick affair in 1977. Sir Michael, as he reminded MPs only a fortnight ago, is made of sterner stuff. "I have a duty to enforce the criminal law," he told the Commons after the Ponting acquittal. "I have no right, nor must I seek, to usurp the function of parliament by effectively repealing legislation." Nobody can be sure, these days, whether Sir Michael takes his decisions in a hermetically sealed legal bubble or after conferring with ministerial colleagues and the MIS director general. Either way, the Attorney General is accountable to Parliament, and it is time for him to give a full account of his reasoning to MPs.

Ending it is the hard bit

There was the predictable last minute flurry of hot line calls between Sheffield and Robert House in London but — equally predictably — it all came to naught. By yesterday evening Mr Arthur Scargill was repeating that it was his national executive's policy that "at no time would they sign an agreement closing pits and destroying jobs." Fighting words and much the same sort of fighting words we have heard these past twelve months. Not quite though. For the new formula leaves Sunday's delegate conference open to call a united return to work "with heads held high" but without a national agreement. It also leaves open the prospect of allowing areas to decide, individually, whether or not to soldier on. After all, Mr Scargill's troubles started when the executive decided to pretend that the industry faced a series of local strikes. Now the same, evasive, foot-shuffling formula could be used to bring this miserable dispute to a close without too much loss of face for Mr Scargill personally or for the members of the national executive who have so unquestioningly stuck with him.

Mr Scargill has already put down a series of markers. He has hammered the trade union movement which failed to honour NUM picket lines and which could not even raise 50p a head each week from its 10 million members. He has emphasised

again and again that he is a loyal servant of his executive and his conference and he obeys the policy decisions of the union. What better position for the gallant captain as the ship goes down than to be dragged, kicking and screaming into the lifeboat by his loyal crew members? Mr Scargill has made his number as an utterly uncompromising leader. The NUM president is well placed to cry "no surrender!" at Sunday's conference and then loyally to execute the compromise decisions, if such they be. Right to the end, Arthur kept the faith. Of such stuff are myths and martyrs made. Whatever happens on Sunday and in the days thereafter it would be foolish in the extreme automatically to write Mr Scargill off either as a force on the left of Labour politics or as a force within his own union.

But all that is for a speculative future. This weekend it is for the delegates to exercise a courage, an independence and a sense of judgment which have been sadly lacking among the NUM's battered and brow-beaten executive members. And there remains a compelling case for a negotiated settlement — even at the price of swallowing the Coal Board formula. How else to negotiate some sort of amnesty for some at least of the 600 men sacked for crimes which run from the trivial to the deeply serious? How else do you hold the union intact, if you allow crucial policy decisions to alip (as Mr Ian MacGregor wants, he it noted) to area, sub area or pit head level? How do you negotiate the small print of the new closure review procedure and the detail of the revised Plan for Coal? How else, above all, do you put the whole, sorry mess firmly into the past?

One man in a boat

Afficionados of imperial leftovers may find it hard to unearth a precedent for the expulsion of the commissioner of St. Pierre and Miquelon in his own official launch from the tiny French overseas department at the mouth of the St. Lawrence River. Pressed to adjudicate in an industrial dispute between two groups of workers, Mr Gerard Lefebvre tried to preserve the dignity of his office by maintaining silence as

angry fishery employees swarmed round his desk demanding a decision on whether they or the local dockers should have the right to unload the islands' spanking new fish-canning ship. Incensed by his refusal to answer, they took him down to the quay, put him on his boat and shooed him out to sea.

Captain Bligh of course springs to mind, though not so much for being cast adrift near the Friendly Islands in 1789 in an open boat by Fletcher Christian's mutineers. It is rather less well known that he learned nothing from his subsequent ordeal, which meant he was obliged to endure a second mutiny in 1808, when he was governor of New South Wales. The garrison there rebelled against his undiminished harshness and locked him up for more than two years.

In fact there is no need to go so far back into the records of another lost empire or to look so far afield for a parallel. The recent history of St. Pierre and Miquelon, last vestige of an empire which once stretched from the North Atlantic to Louisiana, provides two. In 1965 a certain engineer in the local office of public works so aroused the ire of the fishermen that they expelled him from the main island of St. Pierre. The French had to send a warship full of riot police to restore order. In 1975 the islanders went on strike over their low pay, demanding parity with metropolitan France. Eventually their frustration focused upon the governor (the islands were then still an overseas territory — they became a department only in 1976). Mr Jean Chuchard, a man in the true Bligh tradition, was also hustled aboard a boat and expelled from St. Pierre. Once again the French had to send a warship with a company of gendarmes to reimpose the rule of law.

As Mr Lefebvre contemplates what ought to be a more comfortable future elsewhere, we in Britain have cause to congratulate ourselves on a narrow escape. The Treaty of Utrecht of 1713 which brought us that other post-colonial insular headache, Gibraltar, also gave us St. Pierre and Miquelon for 50 years. Fortunately after various toings and froings, the chilly archipelago became permanently French in 1814.

LETTERS TO THE EDITOR

Why Britain should follow up Argentina's initiative

Sir,—The talks in Washington, reported in the *Guardian* (February 27) between British and Argentine parliamentarians in USA clearly addressed the issue of the future of the Falklands in a forthright manner which has been lacking in our Government's own approach. The vast majority of politicians of all political persuasions recognise that we cannot sustain the Falkland Islanders in their present "unreal" situation for ever and it is not in anyone's interests to do so.

World opinion acknowledges the weaknesses in our claims to sovereignty as confirmed by the Select Committee on Foreign Affairs. It is quite unacceptable when we were prepared to negotiate on sovereignty with a vicious military regime before the tragic war that we are not now prepared to do so with the democratic government of Raúl Alfonsín: surely the topping of the military junta and establishment of democracy in Argentina was one of the real achievements of the war. Ultimately pressures at home and abroad will force us to compromise.

In August 1984 the Latin American Affairs Committee of the Liberal Party's Foreign Affairs Panel produced a detailed report for discussion purposes titled *The Falkland Islands — a secure and peaceful future*. In which we concluded that one of the possible solutions mentioned in the USA talks was the best path to take, namely agreement to discuss possible transfer of sovereignty to satisfy Argentine emotional and historical claims in return for the establishment of an internal self-government for the Islanders which is backed

with real enforceable international guarantees.

No solution will be capable of implementation until democracy in Argentina has proven to be durable and there is much to be done in the interim to normalise relations but if Britain proves magnanimous in victory and flexible in negotiation we will have done a great deal to ensure that democracy flourishes; that stability in the South Atlantic is achieved and that the Islanders are free to enjoy a secure and peaceful future. Yours faithfully, Jack Speyer, (Chairman, Liberal Party Latin America Affairs Committee).

London SW1.

Sir,—I fear that there is perhaps more wishful thinking than fact behind your story (February 27) suggesting Argentina has altered its position on the Falkland Islands.

During the meeting in Maryland the Argentine delegates were careful to ensure that they preserved their government's position on "linkage." For any talks to proceed, even on the improvement of British and Argentine bilateral relations, the Argentines insisted there must be prior agreement in principle to discuss "all aspects" of the future of the Islands, i.e. sovereignty which they understand to be merely the transfer of the Islands to Argentina.

The reference in the agreed document to the importance of the wishes of the Islanders should not be read out of context—which specifically related to a transfer of sovereignty.

This is no more than 'Argentina has offered us the past. They seem prepared to promise us anything to gain sovereignty over the Islands. We believe that should we lose our sovereignty we will have lost everything. We have no faith in the ability, or real desire, on the part of Argentina to abide by any guarantees or promises she might offer.—Yours faithfully, Alastair Cameron, Falkland Islands Government, 29 Tutton Street, London SW1.

Sex offence

Sir,—Can anybody enlighten me as to why Mr Justice Caulfield sentenced Malcolm Fairley to 10 years imprisonment for assaulting a man, and only to two years for a similar offence against a woman? Surely an assault of this nature is offensive to all, regardless of gender.—Yours, Hilda K. Noble, Hunters Bar, Sheffield.

When TV news was forced to change its tune

Sir,—Having conducted a detailed examination of television coverage of events on the Orgreave picket line on June 18, 1984 — published this week in *Television Mythologies* — I would like to ask Alan Protheroe (Letters, February 13) four simple questions: Why was BBC film cut to exclude the kind of police violence which was reported by ITN in its coverage of Orgreave on the same evening? Close examination of the BBC film reveals that the miner who received the worst beating was in shot, but that the film has been cut to exclude his beating.

Why did neither of the BBC's eye-witness reporters on the World at One and early-evening television news make explicit reference to the fact of police violence?

Why was the commentary to the BBC's 9 pm news changed from the earlier version to include, for the first time, specific reference to police violence? Has Mr Protheroe a more plausible explanation than my own: that the BBC's construction of events at Orgreave was clearly becoming untenable, given the circulation and impact of ITN's footage.

Does Mr Protheroe regard

the reference to police violence in the later programme — eg. "the riot squads gave no quarter, using their batons liberally" — as fair and objective, or as an attempt to put the undoubted fact of police violence in the kindest possible light? — Sincerely, (Dr) Len Masterton, May Cottage, Toad Lane, Elston, Newark, Nottingham.

Sir,—Further to Eric Northey's comments (Letters, February 23) about tampering with TV sound: I am a freelance "picture" editor working for the most part for North American clients. You will notice that sound is not even mentioned in my job title, although sound is usually more difficult to use correctly than the picture.

American network TV is very strict about using sound which was not recorded at the time of the pictures: you don't. Silent film is left silent. Old Movietone film is used with its dubbed soundtrack. It is disputed that ITN has sound-effects library in its news studios, although it will say it is "rarely used." Why is it there at all? It used it to add sound-effects to silent video of

Mount Everest, complete with car horns going in the background. The Pope, recovering in hospital, released some colour stills, and someone decided these needed hospital effects added on transmission, making the frozen Pope look like a corpse.

These effects are added during transmission, and thus mistakes can be made. As for the editing room, I was shocked recently to hear that the sound had been changed on the dummy weapons used during the staged invasion at the Normandy landings celebrations. Real gunfire replaced the clicking and audience approval of the display.

Silent amateur Afghan film, rejected by the Americans, gets a new lease of life when sound is added. Sadly, it was badly done with the wrong weapon sound. It is bad enough that there is bias in what our newsreaders say. But there is no excuse for deliberately falsifying the relationship in sound and vision to reinforce their scripts.

I have always believed television news is meant to entertain. Look at the choice of stories if you disagree. There are honourable excep-

tions, but at present our most popular news programmes are just sad reflections of the tabloids. — Yours faithfully, Andrew Lewis, 58 Kenilworth Avenue, London SW18.

Sir,—Alan Protheroe, the BBC's assistant director-general (Letters, February 13) totally rejects the accusation that BBC news coverage of the coal dispute has been anything but thorough, comprehensive, fair, and objective. The breathtaking arrogance of the tone and content of his letter is a first-class illustration of just how aloof BBC executives reserve only for the wealthy and powerful.

In view of the continuing public discussion of the BBC licence fee, surely it is time for Mr Protheroe to endorse the admirable A socialist of Broadcasting and Allied Staffs, the following emergency motion, backed by 10 branches, was debated: "This conference... condemns the frequently selective and misleading news coverage of the present mining dispute between the NUM and NCB over pit closures, and deplores the resultant violent confrontation between understandably

angry miners and our members."

"Conference re-emphasises its commitment to fair, accurate, and impartial reporting of the news and calls on the NEC (1) to campaign urgently for the principle of the right of reply and (2) to take steps to create a greater understanding between miners and media workers."

These responsible and far-sighted members of the union were trying to avoid the angry confrontations that occur on the picket lines between camera operators and pickets. They also express the demand for a basic democratic principle of the right of reply which Mr Protheroe reserves only for the wealthy and powerful.

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Miscellany at large

Sir,—The allegation contained in our 20/20 Vision programme, *MIS's Official Secrets*, that the late Harry Newton was one of their agents has caused understandable concern. Had the IBA not banned the programme, there would have been a follow-up studio discussion in which people's reactions to all the issues raised would have been accommodated. We would be willing to pass any letters on this matter to the man at MIS who handled Mr Newton when he was instructed to infiltrate CND's headquarters.—Yours faithfully, Claudia Milne, (Producers, 20/20 Vision), 10A Great Titchfield Street, London W1.

Sir,—When Mr Leon Brittan stresses that any telephone tap approved by ministers has to satisfy the demands that "the subject was engaging in activity threatening the safety or well being of the state," is he using the definition of the state as given by the judge in the Ponting case, or that given by the jury? — Yours faithfully, Edward H. Trantam, Basingstoke, Hampshire.

Sir,—You published my letter last Friday which mentioned the dreaded Belgrano thrice. The only letter addressed to me on Saturday morning was ripped open at one end. Teutonic efficiency, indeed. Now I know where all those Nazis are hiding.—Yours faithfully, Geoffrey A. Giras, 94 Oxford Gardens, London W10.

Sir,—I recently changed the habits of a lifetime to take the *Guardian*. The main reason was that on occasions its crossword is different and sometimes even a challenge, while still keeping generally to the acknowledged "rules of the game."

Please don't take a backward step by taking notice of Mr Page's letter (February 26). Where did he get his figures from, I wonder: the Coal Board or the NUM? Let's have a ballot.—Yours A. B. Chandler, Preston, Lancashire.

Sir,—Why, in your journal, is it so simple to find the absence of even a simple simile to become simplistic? T. Martlew, Chesterfield, Derbyshire.

Nye's way

Sir,—The code drawn up by Sir Robert Armstrong for civil servants (the *Guardian*, February 27) is to be applicable, presumably, only when there is a Conservative government in office.

I recall Nye Bevan telling me while he was setting up the National Health Service that he could receive no minute from any civil servant which had not already been communicated to the Opposition and through it to the doctors.

That observation was confirmed to me later by one of the servants of the department whose name, if I recall it correctly after all these years, was Albert E. Dale. He was hostile to the whole project, but sufficiently loyal to deprecate the way in which senior civil servants were leaking everything that was going on in the department to the Conservative Opposition. The doctors are better informed on the proposals than I am," he told me.

I believed Nye and Mr Dale.

I'm not sure that I believed Winston Churchill when, in his old age and staying at the Hotel de Paris in Monte Carlo, he told me that in the late thirties he was better informed about the disposition of British forces and the policies being pursued in various defence ministries than the ministries themselves. Winston was always a booster. John Farris, 20 Box Hill, London WC1.

Conan howl!

Sir,—Reconciled at last: pleased to see that Holmes and Moriarty are playing for Wales against Scotland this Saturday.—Yours faithfully, David Hale, Newton Aycliffe.

The defence minister who got his genes in a nuclear twist

Sir,—Mr Adam Butler, MP, is under a genetic misapprehension when he replies (Agenda, February 25), as responsible minister, to misgivings about the aftermath of the British nuclear weapons tests in Australia in the 1950s and 1960s.

He states that the "connection between radiation and genetic defects is a tenuous one." On the contrary, it is a very firm one. In all species examined, radiation induces mutations which, if in the germ-line, can lead to genetic defects in subsequent generations. There is no doubt that these findings apply to human beings also.

Butler claims that there was no evidence of genetic effects in the offspring of those exposed to atom bombs at Hiroshima and Nagasaki. I agree that there were no statistically significant differences between exposed and unexposed populations with respect to the characters studied — eg. stillbirth frequency, child mortality — but there was enough posi-



tive evidence to allow American scientists to make rough estimates of the size of the radiation dose which would double the spontaneous human mutation rate.

This figure was reassuringly high; but it is generally believed that however low the radiation dose, there is still some finite probability of mutation induction. Thus, when the minister writes that genetic effects are "extremely unlikely to have resulted from the tests," he presumably means

detectable genetic effects, because every human being has an awful lot of genes capable of mutation. — Yours (Dr) A. G. Seale, 17 Holland Road, Abingdon, Oxfordshire.

Sir,—Question: when is a rule not a rule? Answer: when it's convenient. Adam Butler, Minister of State for Defence (Procurement), says that, in pursuance of his ministry's stated agreement to cooperate with the royal commission set up

by the Australian government to investigate consequences of the nuclear weapons tests "down under" in the 50s and 60s, the UK government has been releasing certain documents "ahead of the 30-year rule."

Ah, so the rule is not sacrosanct after all. Now that's interesting, and there need be no mind-boggling in contemplating what could result from this new information (from this Government, too) that the "30-year" rule can be bent (sorry, waived).

So why can't it be waived more often? We have always thought government had no choice; that, with tears in their eyes, they say: "We would just love, in the name of democratic principle, to release the information you seek, but we just can't."

The conclusion must be that, put vulgarly, this "30-year" rule is a bit of a try-on. Sincerely, N. Ratcliffe, 5 Cavendish Avenue, Buxton, Derbyshire.

A COUNTRY DIARY

AVON: When we moved into the current Luckhurst Towers we inherited a fitted woodburning stove. Having moved from a much colder climate where I had gone to great trouble to install a self-assembled Irish woodstove I tended to regard the admittedly rather splendid Belgian stove as a somewhat redundant luxury addition. But the intensity of the cold of early February saw the machine deployed in an active rather than a decorative capacity. We were fortunate enough to have a modest stock of well dried timber under cover for a neighbour had three mature Scots pines felled in her front garden and I was wise enough to

inherit some of the side timber as it fell off the back of the lorry. The heat of last summer had dried it out to the right sapless condition. Scots pine tends to spark and spit when burnt on an open fire, is almost as good as the hardwoods in the draught controlled furnace. Chamber of woodstove. This model even has a front glass panel and one can stand before the machine sipping one's knowledge to the family audience at the risk of roasting the seat of one's trousers. I am forced to recognise that in all respects this machine is very much better than the one I laboured to erect and deal. It generates a searing draught

of hot air from its gridded top surface and rapidly lifts the room temperature. Nor is it likely to fall like my DIY effort, which now stands, rusting forlornly, in the garage. A cause of considerable domestic hilarity, occurred when a bird or other creature fell down the chimney, lodged behind the sealed battle plate, and the involuntary cremation of which created such a smell as to drive us all from the house. After all the trouble of removing the battle to locate the source of the particularly unsavoury odour I could never raise the enthusiasm to install the machine a second time.

COLIN LUCKHURST

REVIVALIST?

The rising star of Denis Healey — this week, the *New Statesman* examines how yesterday's man has become the focus of Labour's hope for the future.

Also, the rise in dysentery as the sewers collapse; Tory plans to privatise the mines; feminism in Poland; the Vatican moves closer to Opus Dei — and much, much more.

New Statesman

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150 من الالمان

DIARY

LABOUR party activists in Britain who may or may not be asked to consider whether to select Ms Dianne Abbott as their prospective candidate may find it helpful to refer to the March edition of *She* magazine.

Ms Abbott is one of five people interviewed in a series "Your Finest Half-Hours." Barbara Burford for example, talks of her magical time by a lake outside Amsterdam. Ms Abbott, by contrast, relates her experience making love in a field in the middle of the Cotswolds. He (no, it doesn't say) was naked; she (it does) was not. It feels naughtier and, how can I say it without being rude, also happened to be an intrinsically good piece of love-making.

Ms A, a Labour councillor, adds that the memory is all the sweeter since she could do such a thing now: "My life is much more structured, with many more responsibilities."

Mr Alf Dubs, MP, and two Labour colleagues had a top secret meeting with Mr Cathy Massiter, the *MIS* mole, at St Ermine's Hotel in London. He left note of his incredulous reaction to a soul other than his colleagues of whom he was meeting. So he was just a touch taken aback when Mr Nick Lyell, MP, told him that very next day.

Will Captain Bob replace his departing diarist with Mr Nigel Dempster? We ask since Mr D spent an hour quaffing champagne and smoked salmon in Captain Bob's ninth floor suite on Wednesday night.

They discuss Lord Matthews and Oxford United. And Nigel Dempster as well? "The best thing to say," says Nigel, "is that I like Mr Maxwell and if they did make a concrete proposal I would consider it very carefully."

His thoughts on the Mirror: "There are still tens and tens of journalists at the Mirror earning £20,000 a year who are not writing. Now that's the kind of talk Cap'n Bob likes to hear."

Mr Kenny Baker, a theatrical dwarf, appeared in court recently on a drink-driving charge. "I'm so short," explained the three foot eight inch actor, "that I couldn't cope with the long drink."

BUGGED phones can be a blessing. Anna Brukhina, a Soviet "refusenik" expecting a baby in a fortnight, was desperate to get to the West for urgent medical help she thought she needed to save her baby. So desperate, in fact, that she phoned a member of the Women's Campaign for Soviet Jewry in London.

"I don't care who's listening," she said. "I know I'm going to die and my baby with me. If there's no help soon." Six hours later a friend telephoned back to say that, extraordinarily, an exit visa had been granted, valid immediately. And thus this week she embarks on the life-saving rail journey to Vienna.

Mrs Victoria Gillick, morality campaigner extraordinaire, described Sir Keith Joseph as "so reformed a Jew he's almost a Nazi," during her talk at Manchester University on Wednesday night. We ring for clarification. Are we Jewish, she wants to know? And then explains it was a joke she remembered that had been told by an American Jewish comic. "If you had contraceptive pills thrown at you," she adds, "then you might have let your tongue slip."

MR PAUL Routledge — at the eve of yesterday's controversial meeting with the Queen — really wanted to be out covering the miners' executive meeting, but was ordered to stay in the office and meet Her Majesty (it is said Her Majesty wanted to meet him). The Sun's eye to eye with Mr R seen his coverage of the strike and have complained that he has not given enough coverage to the working miners.

WHEN Chief Inspector Brian Woodall speaks, not about masons in the police force he is packed off to see the Met's medical officer. When Met's medical officer speaks Ms Cathy Massiter taps out about M15 phone tapping on a shunt to see a psychiatrist. And Mr Tam Dalyell? The Sun's Spark writes, Mr Ronald Spark, says as follows: "I am more session suggest a good psychiatric in need of a serious consideration." Mr Spark would have said that had not been the Sun's lawyers intervened and substituted death. And ing us all to know about the suppressed earlier version. A note on the Sun leaked it to Mr Dalyell.

Alan Rusbridger

ALMOST imperceptibly, one of the great clichés of Soviet life is ceasing to be true. For over ten years it has been customary to describe the Soviet Union as a gerontocracy, a country ruled by the old men. In the last years of Brezhnev, the average age of Politburo members crept up inexorably towards 70. And with age came a caution, a reluctance to see changes or reforms, a cosy determination to keep going in the same old way.

That image of the Politburo as a collection of grim and cautious old men has survived until the present, surviving because of the succession of invalids who have held the Kremlin's top job. But the image no longer reflects reality. In less than three years, half of the Politburo has died off. The new generation is not simply waiting in the wings, they are sitting inside the Politburo.

The death of Brezhnev late in 1982 was the turning point. Within the same six months, the party's old grey eminence, ideology chief Mikhail Suslov, and the veteran Latvian Arvid Pelshe, who had personally taken part in the 1917 revolution, both died. Then Andrei Kirilenko, a crony of Khrushchev, was ejected from the Politburo immediately after Brezhnev's death. The death of the new leader Yuri Andropov after little more than a year was followed by the elevation of another elder and ailing man, Konstantin Chernenko. And last December, Defence Minister Marshal Dmitry Ustinov, the last Politburo member who had personally worked with Stalin, died at the age of 78.

Not only did these deaths leave large gaps in the Politburo ranks that had to be filled with new blood, the Politburo itself had become, by the time of Brezhnev's death, a relatively inexperienced body.

Chernenko himself only joined the full Politburo in 1978. The current Prima Minister, Nikolai Tikhonov who is 80 in two months, only joined the Politburo in 1979. The next year, young Mikhail Gorbachev, the likeliest candidate to succeed Mr Chernenko, was brought on to the Politburo.

Apart from the Foreign Minister, Andrei Gromyko,



Top right: from the left, Grigory Romanov, Vitaly Vorotnikov, Vladimir Dolgikh, Geidar Aliyev and Mikhail Gorbachev, the man most likely to succeed Mr Chernenko

MARTIN WALKER on the young face of the Politburo

Moscow cracks the old boy network

who joined the Politburo in 1974, the only Politburo veterans are those who hold their seats almost ex-officio, because of the jobs they do. The leaders of the two biggest Soviet Republics after Russia itself, Vladimir Scherbatsky of the Ukraine, aged 67, and Dimulhammed Kunayev of Kazakhstan, aged 73, have been Politburo members since 1971, and so has the Moscow Party boss Viktor Grishin, aged 70.

But none of these three veterans combines his Politburo post with that other vital power base of the Soviet State, a secretaryship of the Party's Central Committee. Hitherto, candidates for the Soviet leadership have needed a Central Committee post as well as Politburo status.

There are at present 11 full members of the Politburo, and six candidate members, who attend the Politburo sessions but do not have a formal vote. Of those 17 men, only five are also Central Committee secretaries. Mr Chernenko is General

Secretary; Mikhail Gorbachev is Secretary responsible for Ideology, Culture, the economy, party cadres and promotions, and the world-wide Communist movement; Mr Grigory Romanov, the former Leningrad party boss who seems to be Mr Gorbachev's main rival for the succession, is Secretary for Industry and for Party Administration.

Two candidate members of the Politburo are also Central Committee secretaries. The first is the veteran head of the international department Boris Ponomarev, a former academic who has been a candidate member since 1972. The second, one of the fastest-rising stars of Soviet politics, is Vladimir Dolgikh, just turned 60, who joined the Politburo in 1982.

Dolgikh made his name in the 1960s as an engineer and administrator. He turned the Norilsk mining and metallurgy complex, in the far north, into a thriving industrial disaster into a profitable concern. He then ran the Krasnoyarsk industrial

region, one of the richest in raw materials, and scored impressive productivity successes.

He is now in charge of the Soviet Union's energy programme, but has also been deployed to late on sensitive international missions. He was sent, for example, to Hanoi to reassure the Vietnamese that any Sino-Soviet rapprochement would not damage Moscow's special relationship with the Vietnamese. Dolgikh is personally close to Mr Chernenko, and accompanied the Soviet minister of the Russian Federation and is being groomed by all accounts, to succeed Mr Tikhonov as Prime Minister of the USSR.

There are three other relatively young men who owe their position on the Politburo to Yuri Andropov. The one who seems destined soonest for high office is Vitaly Vorotnikov, just turned 59, who is now prime minister of the Russian Federation and is being groomed by all accounts, to succeed Mr Tikhonov as Prime Minister of the USSR.

He began as an apprentice fitter, rose through the party ranks as an industrial organiser, and his career went into eclipse in Brezhnev's last years when he was shunted sideways to become ambassador to Cuba. He was brought back to the party hierarchy by Andropov.

Geidar Aliyev and Viktor Chebrikov are both Andropov appointees with a background in the KGB. Aliyev was a career intelligence man from the age of 18, who began to combine senior KGB appointments with a parallel career in the party ranks of his native southern Republic of Azerbaijan, tucked in between the Iranian border and the Caspian Sea.

Now a young-looking 61, Aliyev made his name by his implacable drives against corruption in Azerbaijan, which included a series of purges in the local party. A man of canny political skills, he also made his name as the co-author of Brezhnev's brother-in-law General Tsvigun, deputy head of the

KGB, but became an ardent Andropov follower in time to be an Andropov appointee to the Politburo.

Viktor Chebrikov, who now runs the KGB, was a late entrant to the ranks of the security forces. He too owed his early rise to his connections with the Brezhnev group. Chebrikov was a member of the celebrated Dnepropetrovsk mafia, the group of engineer-administrators who made Brezhnev's career in the rebuilding of the war-damaged Dnepropetrovsk industrial complex. It was not until 1967 that he joined the KGB, at the age of 44, moving straight into a top job as director of cadres, and in charge of the KGB's promotion in effect the party's own watchdog inside the KGB. In the following year, he became a deputy chairman of the KGB and eventually became associated with the Andropov camp.

So the new generation of the Politburo has already assumed power. Gorbachev, Romanov, Aliyev, Vorotnikov, Dolgikh and Chebrikov. It is from this group that the next Soviet leadership will be drawn, and they are probably destined to stay in power long enough to be a new Gerontocracy of their own.

And the bureaucratic structure of the Soviet state means that it may make more sense to think of them as a leadership group, than to focus too hard upon the individual who eventually succeeds Mr Chernenko. Since the fall of Khrushchev 20 years ago, which was largely brought about by the party's alarm over his impetuous and personal style of rule, the Soviet system has felt happier with collective leadership. Brezhnev stayed in power long enough to assume a full personal authority, but both Andropov and Chernenko were more chairmen of the board than sole leaders.

The erosion of the Soviet leader's personal authority is one of the most striking features of recent political life. It is possible to determine new man with 20 years of power at his disposal, could reverse that process. But for the moment, all the signs are that the Politburo's six "young" men will be the effective ruling group up to the year 2000.

Nicholas de Jongh reports on a row at the Royal Court

Stage flight from Arts Council

THE ARTS COUNCIL, yesterday suffered the most serious blow to its self-confidence and stability since it withdrew financial support from 41 arts organisations four years ago. At a press conference at the Royal Court in London, presided over by the National Theatre's Sir Peter Hall, 10 of the Council's leading artistic directors gave notice of action which amounts to a vote of no confidence in the Council's chief officers, its drama department officials, and various business executives.

Seven members of the Council's advisory drama panel, some of them present at the press conference, were reported to have resigned, because they feel the Council's policy of the Garden development plans are unworkable. Some of them said that officers in the drama department ignored all their recommendations.

Nicholas Kent, the artistic director of the Tricycle theatre in London and a former administrator of Oxford Playhouse, plunged a knife in the bleeding body by saying that he also had no confidence in Tony Church, the Chairman of the drama panel, who by virtue of his position represents panel views to the full Council. His criticisms on the officers' attitude to new theatre writing were echoed by another panel member who resigned, the designer Pamela Howard.

Sir Peter Hall, who infuriated the Prime Minister last month when he attacked the government's policy of creeping parsimony towards the arts, crystallised the mood of the meeting when he said "The Arts Council has been politicised and we don't support the Arts Council any more." Speaker after speaker suggested that the Glory of the Garden could not be transformed into a paradise of flowering theatres in regional places without budgetary increases. But this almost mattered less than the much stressed assertion that the Council's drama department and its director Dickson Reed were no longer in tandem with the people they are supposed to support and help. This breakdown of confidence is quite unprecedented and suggests ill for the future.

Sir William Rees-Mogg has been a target of criticism almost since he arrived at the Council and is held responsible for maintaining the seeding of Glory in the Garden without sufficient monies. He has continued to maintain that the move towards strengthening the arts in the regions will continue, but in deference to listen to the sound of his own voice has led to war from time to time with the arts establishment, with Lord Gower, the Arts Minister, watching from the sidelines. Yesterday Sir William was forced into retreat over literature. He had led moves to dissolve the small literature department and subsume its functions into the main of the drama department. But according to a statement yesterday, the Council is now "happy to consider further appropriate developments."

New Zealand's Lange's not for turning

MICHAEL SIMMONS on Mrs Thatcher's visitor



David Lange: a baptism of fire for his government. Picture by Martin Argles

IT SHOULD not be taken as any sort of omen that David Lange stepped straight into a sizeable puddle when he arrived at Heathrow earlier this week. His commitment to an anti-nuclear course, after less than eight months in office, is now such that no kind of superstition will lead him to think that Margaret Thatcher will succeed where the entire weight of the Reagan Administration has so far signally failed.

New Zealand, as he told the UN last September and has been repeating ever since, lives in a tranquil pocket of a divided and troubled world, but New Zealand is also "nobody's client." On present form, this man and his Government, to borrow from the Thatcher phrasebook, are not for turning.

As a trained and one-time successful lawyer, he clearly luxuriates in the heated arguments that now confront him. A crowd and press conference yesterday on the 17th floor of New Zealand House drew sceptical and sometimes antagonistic questions, but Lange fielded them all with good humour and some humour and some laughs as well. "If a hypothetical World War Three broke out tomorrow," he was asked, "how would New Zealand defend itself?" "If a hypothetical World War Three breaks out," comes the reply, "I shall be very happy."

To have reached such an apparently secure position, politically, also has some-

thing to do with the austerity and the stringent Methodism of his background. In a one-to-one interview yesterday, he talked of the "baptism of fire" in the immediate aftermath of winning Sunday's snap election. If there had been no crisis to contend with — concerning a hefty devaluation of the New Zealand dollar — he and the Labour Party would still have been cantering along untroubled and would still have been "in political nappies."

"With that crisis," he says now, "I soon learned what strength I needed to have. It is good to have had that testing. It was a real reborn for me and the Government."

It has brought him to a position where, as he puts it, "the Government's policy is not negotiable." Even so, he has been sought out already by George Shultz (twice), by Margaret Thatcher (Monday's encounter will be their third), and Andrei Gromyko (yet to be heard). China's leaders and a host of others. At the end of the month, he embarks on an extensive tour of black Africa, where he would make no bones about his abhorrence of apartheid.

But the precise nature of his present confrontation with the US and how it will unfold remains unclear. There was blatant American intervention in the New Zealand elections which brought him to power, and there have certainly been heated exchanges since. Joint military exercises have now been

cancelled and US military co-operation under the terms of the ANZUS defence treaty have been markedly run down. There has also been muffled talk of queering New Zealand's pitch as a trading nation.

Through all this, David Lange keeps inscrutably calm like a lawyer with a very tricky, but not impossible, case. "It is difficult for the outside world to comprehend how untroubled pro-US New Zealand really is," he says. "We were brought up on a diet of American images. We see the world through American camera lenses, and we don't see that culture imperialism or offensive. It would be crazy to go against that..."

On the other hand, he also argues that the pressures, many and varied but not yet chaotic, which large powers exercise over small powers can be seen as akin to the sort of totalitarianism that "we are all supposed to be up against."

The sort of talk, of course, means all things to all people. Presumably it satisfies the occasionally restless Left wing of his Labour Party, and ironically it may also make sense when he meets Mrs Thatcher. With ever, New Zealand does not stand "ideologically on everything we know is long-time mates." It would be inconceivable in his view that Britain would consider trade sanctions against New Zealand, even, as he says, at

the behest of the Welsh dairy farmers.

Denying nuclear-armed or nuclear-powered US or British or any other battleships access to New Zealand ports in no way means, according to Lange, that the country is neutral or even non-aligned. The ANZUS Pact, which George Shultz suggests has been effectively invalidated by New Zealand's ban remains so far as Lange is concerned — very much in force, a large corporate being, with substantial command system, the embodiment of common commitment, based on joint consultation. Party out of adherence to this pact, Lange maintains, his country's defence budget, now around 3 per cent of GNP, will be marginally increased next time round. It remains to be seen whether that, too, will satisfy his Left wing.

But despite the exigencies of the superpowers and despite, back home, "the graven economic crisis in New Zealand's history" (his own words) Lange knows how to relax. Early yesterday morning he was out of his hotel and dragging his entourage to the nearest cafe for bacon sandwiches and tea. Tomorrow, after an audience with the Queen, it is the stimulation of an Oxford Union debate — defending policies he now knows by heart. His preparation for the Monday call on Downing Street will be a weekend with his mother-in-law somewhere in the Midlands.

The diminishing returns of the lack-lustre Chancellor



Ian Aitken

I VERY much doubt if a single member of that much-maligned body of men, the international currency speculators, have been pressing their noses to their visual display units with more intense personal interest in the past few days than the Chancellor of the Exchequer, Mr Nigel Lawson.

To be sure, the speculators stand to lose a lot of money if they fail to interpret the trends accurately — a process which is invariably described as "getting their fingers burned" by those who hope to see it happen.

But even speculators occasionally recognise that money isn't everything, and in Mr Lawson's case it certainly isn't. What he stands to lose if the international markets go berserk is not just a few scintillating dollars or pounds or whatever. It is his entire political

reputation. In a sense, of course, Mr Lawson's predicament has nothing to do with the machinations of the international speculators: they are merely neutral about his career prospects. If he now finds himself painted into a corner, it was Mr Lawson himself who applied the paint. But it does have a great deal to do with the state of the markets. Let me explain myself.

You will no doubt recall that, well before the end of last year, reports started to appear in the public prints to the effect that it was the Chancellor's intention to present what he called "a Budget for jobs" next month and that his preferred means of achieving this was to seek a substantial reduction in direct taxation. The widely-accepted figure for the amount he was prepared to spend in this operation was £1,500 million.

These reports brought instant cries of outrage from pretty well all of the Opposition parties, and also from a substantial segment of the "Alternative Conservative Party" — to wit, the Wets.

The views of this extremely broad section of political opinion, far wider in scope than the preposterously narrow segment of the minority Conservative Party which is currently running the country — was that the right way to produce a Budget for jobs was to point whatever funds were available directly towards job cre-

ation, by way of public investment.

As you would expect, there were some disagreements about just what form of investment spending would do most to stimulate the economy and create jobs. A substantial majority favoured useful but unromantic public construction work like the repair and renewal of our crumbling Victorian sewer-water mains and such. But whatever the choice, the principle was the same — direct job creation through public expenditure, rather than Mr Lawson's indirect method via tax cuts.

The argument has raged on ever since, with Mr Lawson producing some highly dubious, even doctored, statistics designed to prove that public works are now so highly mechanised that they don't really create any jobs worth speaking of. But as the argument developed, the forecast of the sum Mr Lawson might have to play with came Budget Day could well be as much as £2,000 million or even £3,000 million.

Admittedly, Mr Lawson began to mislead a few coveys about these optimistic estimates early this year, even suggesting that the original figure of £1,500 million might not be achieved. But there were plenty of semi-official sources available to encourage the view that Nigel was just being cautious. The speculation continued unabated.

Of course, the main case against Mr Lawson's argument has always been related to world markets, since the level of the pound sterling had a great deal to do with the impact that tax cuts would be likely to have on job-creating demand in the domestic economy. In theory, at least, a low pound should have blocked dollar imports by raising their price in terms of sterling, and thus channelled the extra cash in people's pockets towards home produced goods.

Unhappily, this has not proved to be the case — largely because earlier instalments of Thatcherism under Mr Lawson's predecessor have so damaged British industry that the productive capacity to meet domestic demand in key areas of the consumer market no longer exists. Hence the staggering achievement of the present Government: Britain's first trade deficit in manufactured goods since the industrial revolution.

But as the fall of the pound against the dollar has continued (and let us not forget the over-credited about Wednesday's events, since the concerted cash for the European banks, together with the utterances of the Chairman of the Fed, only shifted sterling by under three cents), the prospects even for Mr Lawson's highly dubious scheme have diminished radically. If the uneasiness on the markets sud-

denly becomes a panic, his entire Budget strategy will collapse in an instant.

This has already become clear to many Conservative MPs who have hitherto sympathised with the Lawson strategy as more likely to gain votes than any programme of public works, even if the balance of advantage is in the opposite direction in terms of jobs. If Mr Lawson does not deliver, such people are likely to be rather more than disappointed; they will be angry.

But the most significant straw in the wind came earlier this month, when the executive of the all-powerful 1922 Committee of Tory backbenchers had their annual pre-Budget meeting with the Chancellor. By all accounts it was not a happy encounter, and many executive members emerged in a highly critical mood.

In essence, their complaint is that Mr Lawson has conducted himself more like Billy Bunter (who you will recall was always expecting a postal order) than like a grown up Chancellor. They have not enjoyed the spectacle of Britain's senior financial minister first raising public expectations of a tax cutting bonanza, then finding it necessary to hose down his over-excited audience. That, they reckon, is not serious politics.

But even misfortune like this might be surmountable if Mr Lawson had a few real friends where it matters —

namely, inside the Cabinet room itself. But alas, the Nigel Lawson fan club is distinctly short of members among his fellow ministers.

If the fabled Lawson manner sounds abrasive to backbenchers, it offends even more across the Cabinet table. He therefore stands or falls exclusively by the practical results of his policies. And quite right, too, you may think. But there are some ministers who can secure at least the benefit of the doubt, and a few who can do even better than that. They may be forgiven because they are generally recognised as decent chaps, like Sir Geoffrey Howe; or they may even have a public charisma which makes them politically valuable whatever they do, like Michael Heseltine.

Mr Lawson fits neither category. He gained some standing (popularity would be too strong a word) for his first Budget, which was widely regarded as intellectually clever. But largely, thanks to his own pre-publicity, he will have to do at least as well this year if he is to retain political credibility.

It is his misfortune that his success or failure now depends on the most volatile international exchange market in history. With vast footloose funds seeking quick profits, and a world communication system of split-second speed and efficiency,

he is at the mercy of a larger number of speculators than any Chancellor before him.

It is tax cuts or bust for Mr Lawson next month. But what he is up against is not just our old friends, the Gnomes of Zurich; thanks to the micro-chip and the home computer terminal, it is also the Gnomes of Allahabad, and Ashby-de-la-Zouches. He is going to need a good deal of luck, as well as his well-known brains, if he is to pull it off this time.

More

Stroubles is the new face won't work alongside the old one faces...





Iain Banks; picture by Martin Argles

Sting in the tale

HE WAS half an hour late and we sat in his publisher's lobby watching every helmeted bike messenger that came in to check if he had a beard and hard eyes. Bikes are big in Iain Banks's new novel. I knew about the beard, and he must have the kind of eyes that look hard in photos.

Anyway, he came by train, not bike, up from Faversham in Kent, only someone had put a big hawk of timber on the line and the train juddered to a halt while men with hammers and saws came to hack it out. That explained the lost half hour, though not who or why, except for the hell of it. Maybe in some corner of a Kenilworth field someone was watching. Someone like Frank, the disturbed teenage murderer of children and tormentor of animals from Banks's first novel, *The Wasp Factory*, published last year.

Only Frank is more inventive. He persuaded one child victim to bash an unexploded bomb, popped a viper inside another child's artificial leg, sent little Esmeralda sailing off over the North Sea, borne up on a giant kite. Banks's second novel, *Walking on Glass*, will be published next week by Macmillan, and it's nothing like that at all.

It plots three quite separate stories that have no apparent connection till the very end. Retribution comes from the sky, not in it. They were ideas that had been around in his mind, because although *The Wasp Factory* was his first published novel, he reckons he had written first drafts of at least half a dozen others, clocking up a million words between his sixteenth birthday and his thirtieth last year. He talks a lot too, and fast, in a strong accent matured on the Forth and the Clyde.

The three stories have only the slenderest thematic connection. One is naturalistic, set in streets quite close to the Guardian office, and streets don't come much more naturalistic than that. One is Peake-like or Kafkaesque fantasy, a kind of science fiction. The third is closest to *The Wasp Factory*, today's art seen through the eyes of one of its more disturbed denizens.

Frank is a 17-year-old living on a Scottish island with his ex-hippy father, killing off the odd cousin or brother, and brutally slaughtering wildlife by bomb, flame thrower, catapult and strangulation. The mad one, his brother Eric, has escaped from mental hospital at the beginning of the book, the eyes of one of its more disturbed denizens.

and finally arrives like an exterminating angel with wings of fire, preceded by a fleeing flock of burning sheep.

There were basically two reactions to the book. One was: the violence and nastiness are gratuitous and outweigh the talent. The other was: the violence is very big and brilliant. He says he was amazed that people found the book as nasty and shocking as they did. Macmillan spent £10,000 on promoting it, sold the paperback rights to Futura for about £20,000, and sold 12,000 copies in hardback.

Since then Banks has given up his job as costing clerk in a Chancery Lane solicitors, bought the Faversham house and moved in there with his girlfriend, a car and a Hewlett-Packard computer of vintage years and vast size that a bank couldn't sell so gave away. He's been using it to write the first script of *The Wasp Factory*.

One or two critics latched on to the similarities between Banks's novel and Golding's *The Lord of the Flies*; the ritual use of animal heads, stuck on poles, the cruelty of unformed minds, the island setting.

Then there's the 'Tin Drum' element, which the book itself acknowledges — Frank's

best friend is a dwarf who sits on his shoulders. But when you come to violence itself, there's a strange dichotomy. The child murderers are told in flashback and it was the image of Little Esmeralda being borne into the blue on her kite that stirred the memory.

It's a mirror image of the scene in *Kind Hearts and Coronets* where one of Dennis Price's many victims goes up in a balloon and is brought fatally to earth with a bow. As soon as I mentioned this, Banks grinned all over his face and quoted the whole verse Price speaks, beginning "I shot an arrow in the blue... I loved the aim." Even the tone of the prose in these scenes of remembered, fantastical murder in Banks's book have the plummy, formal quality of the novel, though he says he had never made the connection.

The animal slaughter in *The Wasp Factory* is quite different, realistic, deliberately sickening in the manner of horror fiction, film or video. For instance, when a huge rabbit attacks and bites him, Frank strangles it, then puts home-made bombs in the warren to drive out the others, and turns his home-made flamethrower on the struggling survivors. The hardware may not seem very

believable, but the blood and guts are. And because the effects are deliberate, you have to ask if the purpose is the quick-buck shock, the desire to see just what he could get away with, or something else.

He insists he was making a statement about violence itself, about retribution. After that attack on the warren, Frank says he sometimes thinks of himself as a state, and the rabbit has attacked him, and it's like the Nazis, saying you killed one of our generals, we'll kill a whole village; it's like the Israelis in Lebanon, it's about revenge, retribution. Frank says that the point about the punishment is not that it reforms, but it makes him feel better. That's the point I'm making about retribution. I did that very consciously very deliberately by making Frank do those very nasty things.

He doesn't accept the argument that violence described in this kind of realistic detail in fiction or video or whatever has the effect of blunting our response or our resistance to the real violence around us. "One of the pieces of ammunition I had prepared for anyone who objected to the cruelty in the book was to say this is only a story, but we really do this sort of thing to thou-

sands of animals every day within a perfectly legal context, for instance on laboratory animals, to try to stop ourselves getting a skin rash.

"I think a lot of the reaction of critics was based on the sort of novel they are used to reading, but that I'm not interested in writing."

"Whether this sort of thing makes us more or less sensitive to violence around us may depend on the individual reader, and on how well it's written. I wouldn't go out of my way to shock people. But if there were something I wanted to say, I wouldn't stop saying it just because it shocked them."

I went away pondering all that. As we drove back, I listened to the news on the car radio. It was Tuesday evening. On the news was the story about the life sentences they had handed out to The Fox, and what had been said about the pornographic videos he'd seen. So the Whitehouse press was going to have a field day. There are some coincidences you can do without.

TELEVISION

Hugh Hebert

Whose House Is It Anyway?

FOREVER means for a very long time, or until Barnsey Council says Stop. Billy and George Howard, pensioners and bachelors, point to the deeds of their house as Moses must have at the Tablets. "It says forever, handed down to us by our father. It's all signed by the Duke of Leeds afore there were any Corporation."

But Barnsey Council, having tried persuasion offers of another house the size of a shoe, mooting (unofficially) an offer of £50,000 for land worth far more, has slapped a compulsory purchase order on the Howards. The council has spruced up all the houses round about, and wants to build new ones on the Howards' land, including sheltered accommodation for old people — far more than two of them.

And Rose Cottage and its purlieu, which they thought they held in perpetuity with the land itself, is not exactly an oasis; more a tip in Whose House is It Anyway? (Forty Minutes, BBC-

2) the camera roams lovingly over the room encrusted with pictures, knick knacks, clocks, a table replete with mugs, cheese, bread, a kitten, a dog. Outside, the rest of the thirty cats, dozen dogs, score of geese, and uncounted rats around the cardboard salvage the brothers trade in (not poor, the Howards).

They are fighting the council, all the way up to the European Court, but the bailiffs can't be far away. Can't they see? asks Billy, looking into the rear for ever. "All these pigs'll close. The day's not far off when all these houses'll be empty. Scargill country this, the land of the immovable object. A strong programme, enough to split families."

Whichever way you turn it. And Pigs Might Fly (C4) is a small gem: well written (Ruth Carter), funny, directed with a touch of elegance (Stephen Bayly), and cut like a diamond. Two Japanese visitors arrive in a depressed North Wales village and the rumour starts — furiously fanned by a small boy — that they are sassing out the place for a new factory. Slowly, like Bill Forsyth's Scots in Local Hero, the villagers wake to the prospect of returned prosperity and self-respect.

It's the small touches that count. There's a marvellous brief scene of the boy trying

to teach them the Welsh "u" sound. Convinced the plan is for a smelter, the local carpenter presents them with a miniature table and cues, the puzzled Japs, looking at the tiny cues, understands at last and smiles, and uses them as chopsticks. It may have been pushed into the children's film pigeonhole, but Channel 4 should do us all a favour by showing it again, quick, at an adult time.

LYTTLETON

Michael Billington

The Road To Mecca

MANY good plays are built on two levels: a ground floor of realism and an upper storey of symbolism. But fine as Athol Fugard's *The Road to Mecca* is on the level of human observation, it sometimes feels that the upper storey is so heavily weighted that the floorboards are likely to cave in. The play is dense with passion, but also has to carry an excess of metaphorical baggage.

As in *Master Harold and the Boys*, Fugard spends much of the first act preparing the ground for a major emotional explosion in the second. The setting is a cluttered, candle-lit house in the midst of the Karoo desert in South Africa: the period is 1974. Elsa, a 28-year-old language-teacher from Cape Town, has driven 800 miles to spend a night with the house's

owner, a 70-year-old sculptress called Miss Helen. It is clear that both women, under their edgy, awkward affection, are in crisis. What transpires is that Elsa has lost her lover while the widowed Miss Helen, who fills her yard with exotic statues of Wise Men, camels, mermaids, peacocks, has reached a point of suicidal despair and is being pressured by an African-cleric friend to move into a Sunshine home for old people.

Fugard takes his time setting the scene. But with their artful, the puritanical churchman, Marius Byleveld, the play moves into top emotional gear; and what we get is a thrilling contest for Miss Helen's soul in which it becomes clear that her creative energy represents a freedom that has made her a threat to the community. The play might easily descend into melodrama, with the villain seeking to deprive Miss Helen of her eccentric home. But Fugard, with great subtlety, suggests that Marius is motivated by a protective love and that the freedom-loving Elsa is unaware of the old woman's physical precariousness.

This is first-rate writing: full of sudden reversals that shatter one's easy assumptions. But Fugard overloads exciting, naturalistic drama with a wealth of symbol. We already know that Miss Helen has christened her statue-filled yard Mecca. But then we learn that the sculpted Wise Men are all pointing to the East and so Mecca comes to stand for spiritual liberation and creative energy in opposition to the life-denying darkness of aged inertia.



Yvonne Bryceland

I have nothing against symbols as such; Ibsen made constant use of them. But instead of growing organically from the action, here they seem to be implanted in it. And Miss Helen's earlier, plausible uncertainty about whether to accept commitment to a geriatric home, is somewhat compromised by her later ringing assertion of faith in her creative sanctuary.

Yvonne Bryceland's arthritic, cardiganed Miss Helen is never more moving than when sending out silent pleas for help to her young friend in her hour of need. Charlotte Cornwell endows Elsa with a fiery impatience and captures precisely the exasperated love the young often feel for the old. And Bob Peck plays the

Pastor from his own point of view as a man of rigid, poker-faced dignity unable to express the love that he feels.

RFH/RADIO 3

Hugo Cole

Bournemouth SO/Barshai

RELIABLE is a boring word, but it does describe a certain quality which Alicia de Larocha brings to Mozart. She is one of those players whom we trust implicitly to do nothing to confuse musical issues or to jar our nerves.

Her husband, the modern piano is as considerate as her relationship with the audience — calm, but not too majestic; without any of the self-consciousness or rhetorical trickery of the player who is out to dazzle or impress.

The surprising thing is that this fine interpreter of Granados and Albeniz should also excel in Mozart, but maybe her ability to let the music speak for itself, without ever disturbing underlying rhythms lies at the base of her distinction in both areas. The D flat Concerto, K.595, was gloriously played, natural and warm hearted.

In setting an excellent accompanist, not only in synchronisation with soloist, but in shaping a performance full of interesting detail, but never veering to extremes: all points being made almost at conversational level.

The same sort of restraint was very effective in Mahler's Fourth Symphony, with lower markings scrupulously observed, and balance justly held in the multi-voiced dialogue. Barshai too persuaded the orchestra to think at one in the many wayward entries of the main themes in the first movement; but nothing was overdone.

String playing was warm, without the sensuous glow of some virtuoso ensembles. There was a bold and char-

acterful solo horn and the flutes' melody in the first movement development rang out dramatically. But it was the quality of pianissimo playing maintained throughout this long work that was most impressive of all.

Sheila Armstrong was the soloist, just the right innocent freshness for the nursery songs of the last movement, but on this occasion failing to penetrate the orchestral barrier in the lower registers.

WESTCLIFF

Jill Burrows

Ashes

THE EXCITING thing about David Rudkin's *Ashes* is his imaginative combination of disparate material. In *Artemis* 81, for instance, its Norse mythology, Jung and Hitchcock; in *Ashes* it is history, gynaecology and semiotics.

In setting the documentation of one couple's painful attempts to conceive a child and to cope with a miscarriage and hysterectomy against the politics of Northern Ireland, to which the husband returns for the funeral of a bomb-victim uncle, Rudkin is not drawing a direct or facile parallel.

By a kind of cross-referencing of imagery (eg. the infertility is caused by the incompatibility of "two genetic chemistries") the elements treated separately do illuminate each other, but it is the combination, the augmentation of one by the other, that creates the powerful overall expression of total physical and spiritual dispossession, of "severance," as Colia has it from one's own "heritage."

At the Dixon Studio, Barbara Houseman's pleasantly matter-of-fact production will take a few days to run in. Rudkin's language is not kind to actors, to their tongues or to their memories, and as yet the passages of densely clotted near-verse tend to be greeted by a jolting gear-change.

Kenneth Octobry's multiple incarnation as all the medicines is well on the way to pointing up both their individual quirks and their common attitude of authority. That is a technique echoed in Jacqueline Powell's shrewd design, which indicates changes of environment and character with the very minimum, sometimes as little as a handkerchief.

Tim Raynton and Julie Teal as Colin and Anne give sympathetic and unself-

mental performances — essential to what on one level is also, after all, a serious and affecting love story.

BRENTFORD

Michael Billington

Peer Gynt

IBSEN'S *Peer Gynt*, an sprawling pantomimic poem on the theme of reckless individualism, is an inordinate play that somehow resists mere competence. And watching the pared down three hour Actora Touring Company version performed with a cast of five was rather like hearing Gotterdammerung played on the mouth organ: interesting but hardly sufficient.

You can, as Ron Daniel's memorable RSC production proved, present *Peer Gynt* in intimate surroundings. To do so, however, requires rather more imaginative resourcefulness than is shown here by directors Mike Brickman and John Retallack.

They stage the action on a square white floorcloth with thin black poles at each corner, suggesting that Peer is imprisoned within his own selfishness; and the point is rammed home when the Button-moose (apparently a Scottish night watchman) ropes off the area while squatting outside it with his billy can. But it makes a pretty bleak stage picture and shows little of the scenic cunning that enabled Stratford's Chris Brink to evoke a mountain stream with nothing more than five strands of rope.

Insofar as the show has a point of view it seems to be that *Peer Gynt* is a profoundly Norwegian work. So we get ethnic dancing, lashings of Grig, straw-watled Solweig and trolls in evening dress who might have come from a bourgeois charity dinner.

Ibsen himself, however, in an 1888 letter denied that he had set out to write a flagellating Norwegian satire (a kind of thing of Norway); what he was really doing was creating a wild dramatic poem about blinkered selfhood with a hero who passes from monster to millionaire to Everyman.

You get the broad outline of the meaning in this thinned down version of the Michael Meyer translation; but the omission of so much, the pastor's graveside tribute to a genuinely humble man means that *Peer*'s inability to understand the true nature of being oneself goes unmarked.

Chris Barnes, however, is a valiant Peer and especially good when young; like, wiry, nippy as a ferret. I am not, however, sure why he plays the last, as a wheelchair cripple (Peer's handicaps are moral not physical), and to have Peer return to mewling infancy at the last is to underline the obvious.

The rest of the cast play a variety of roles with vigour and Kim Hicks in particular moves deftly from maternal Solweig to green-eyed enchantress. But in the end one is left with a thumbnail sketch of a masterpiece.

Some of these reviews appeared in later editions yesterday.

Val Arnold-Forster's radio review has been held over.

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W. J. Weatherby in New York reports on the triumph of Andrew Lloyd Webber's Requiem and Glenda and Co in Strange Interlude

Double act lights up the Great White Way

NEW YORK has been celebrating two British theatrical events. What Time magazine called "Glenda Jackson and Co." brought one of them, the London revival of Eugene O'Neill's *Strange Interlude*, over to Broadway. Reviving America's greatest dramatist on his home ground was considered an audacious act, but it succeeded triumphantly.

The new interpretation, stressing the comic side and playing down the overblown soap opera seriousness of this five-hour tribute to Everywoman, makes O'Neill's attempt at tragedy seem fresh and relevant to the eighties.

News Week magazine noted "An Extraordinary Interaction" between the presentation of the play by the British and the Broadway audience. There were titters at some of the heavy-handed melodrama, but, according to Newsweek, the laughter seemed to be the work of Glenda Jackson and Co. "We know you're working hard to make this farce of genius and pathos. Forgive our helpless chuckles; we're with you and we appreciate your brilliance and integrity."

Audiences seem to have identified not with

Miss Jackson's riveting portrait of Nina, which ranges from virgin to sex goddess, but with Edward Petherbridge's portrait of Charlie, the old maid among her men who brings a sense of realism to the melodramatic goings-on.

The New York Times was so taken with Mr Petherbridge that it profiled him at great length and recorded his struggle to transform a working-class Yorkshire accent into ironed-out Queen's English for middle-class comedies.

For the American accent he needed for *Strange Interlude* he imitated Alistair Cooke, only to find that everyone in New York considered Cooke's accent "as heard at present introducing The Jewel in the Crown on American TV" to be "completely English." Mr Petherbridge ended with an accent he describes as "slightly New England" and with "offbeat verbal music" which Newsweek compared to the late Ralph Richardson.

He succeeds splendidly in giving ironic life to the O'Neill streams of consciousness that in

some previous renderings sounded more like endless homoblast.

Miss Jackson herself, who has worried over the effect of TV on audiences and their inability often to sustain a tension longer than 30 seconds, has doubtless been pleasantly surprised by the devotion of Broadway audiences to what the distinguished American actor Alfred Lunt once called "a six-day bisexual race."

The other British theatrical event set out to be a great musical and even religious occasion but its character was theatrical in every way in style, presentation and atmosphere.

The premiere of Andrew Lloyd Webber's *Requiem* was held in the opulent St. Thomas's Church in New York to a distinguished invited celebrity audience, including Britain's former prime minister, Edward Heath, and with enough top performers, TV cameras and photographers to satisfy a major movie premiere.

If Mr Lloyd Webber didn't wish his *Requiem* to be considered a mere successor to his long-running Broadway musicals, *Cats* and *Evita*, he should have been more careful

in its staging and given his mass for the dead a more modest and religious presentation with more emphasis on the music and less on the show business incidentals.

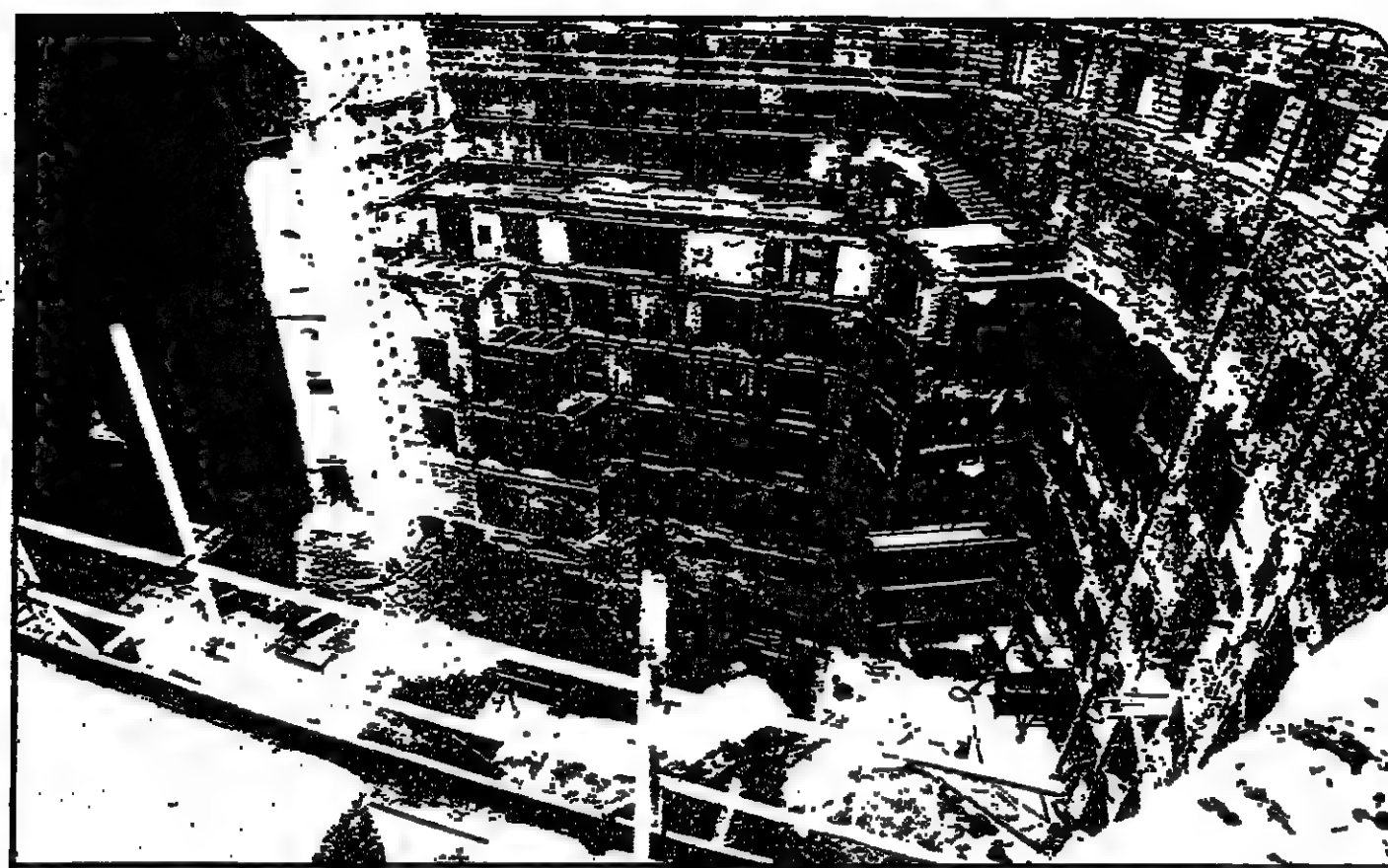
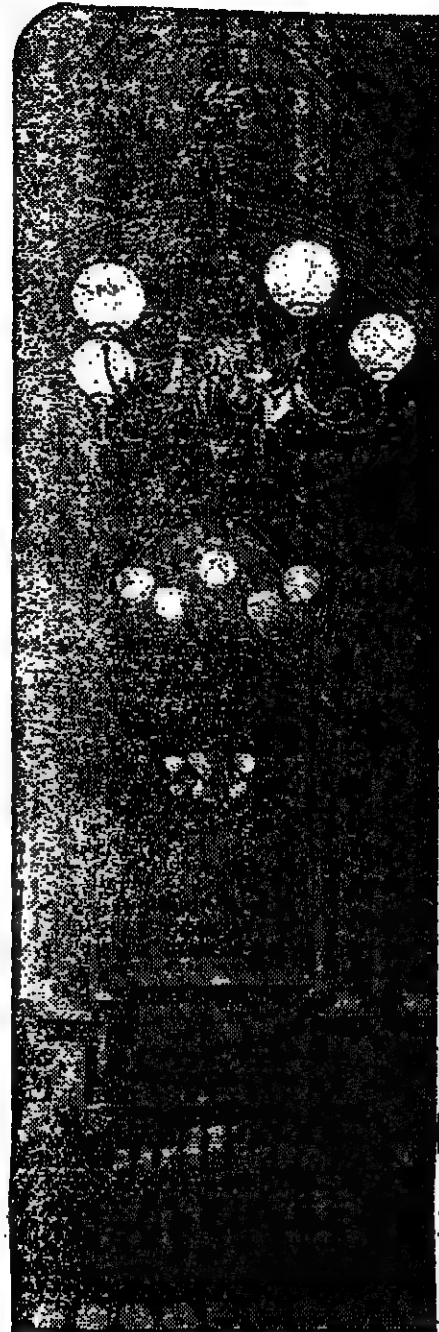
Despite Plácido Domingo, Lorin Maazel and the Westminster Cathedral Choir, the New York Times decided the *Requiem* "tells us nothing new. What he does manage to do with his smooth, graceful melodic lines and familiar dramatic props is to accommodate the ideas of a great many other composers and do so very graciously." The New York Times found the Westminster singers' rendering of Purcell's "Hear My Prayer" the high point of the evening.

As the *Requiem* is probably to be performed in Westminster Abbey shortly, perhaps its more purely musical qualities will be clearer there, that is, unless Mr Lloyd Webber stages a similar event in London and prevents his tuneless score from being appreciated for the simple attractive work it is rather than an occasion for a rhetorical beating of celebrity drums that only a masterpiece could justify.



Glenda Jackson — working feistishly hard

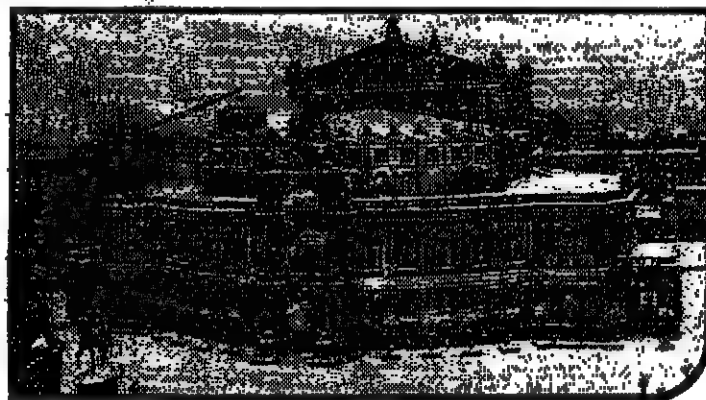
Andrew Lloyd Webber — beating his own drum



The external facade, right, of the gutted auditorium, above, matches the faithful rebuilding of the rest of the interior

Hugh Canning on the opening of Dresden's magnificently reconstructed State Opera

Splendour arises from the ashes



FORTY years on, the German Democratic Republic is celebrating another decade of liberation from Hitler's fascism and chose the anniversary of Dresden's destruction on February 13, 1945, to point accusing fingers at the Anglo-American bombers by reopening the city's famous pre-war opera house.

The theatre was designed by the architect Gottfried Semper and along with his earlier works, the Picture Gallery, the Synagogue, and the Openheim Palace — all representative of his characteristic Italian Renaissance-inspired Rundbogenstil (romanesque arch style) — fell victim to the air raid.

The new house is the third theatre on the site to have been executed on Semper's designs. The first, built between 1837 and 1841, replaced the Meretti-theatre where Weber was music director from 1817, as the Saxony capital's principal venue for opera.

Here Wagner took up the position of royal Kapellmeister and has early music dramas — *Rienzi*, *The Flying Dutchman*, and *Tannhäuser* — performed for the first time, establishing a tradition which persisted until the closure of the second theatre by the Nazis in 1944 and was

pursued by the "homeless" State Opera of the GDR.

Semper's first Hoftheater (Court Theatre) burnt down in 1869 in a conflagration so intense that it threatened the paintings in the nearby gallery. By this time he, like Wagner, had fled Dresden following the revolutions of 1848/9 and found refuge, though no practical work, first in London, later in Zurich.

The second theatre, the well-spring of the Dresden State Opera's rise to heights of musical achievement in the late 19th and early 20th centuries, grew out of unrealistic plans, commissioned by Ludwig II of Bavaria, for a grandiose opera house designed to Wagner's specifications in the centre of Munich.

When Semper outlined his plans for his new Court Theatre, a building quite different in character though retaining the unusual feature of tracing the shape of the horse-shoe auditorium in its external design, he was occupied in Vienna on the construction of the Burgtheater, one of the most distinctive buildings on the Ringstrasse and the twin museums of Art and Natural History. His son, Manfred, supervised the construction in Dresden which was completed in 1878, the

year before Semper senior's death.

Five years ago, when I last visited the city, the opera house was still a building site, surrounded by hoardings, covered in scaffolding, the exterior almost restored to its pre-war state. The ruins, basically the outer shell of the building, had been made secure as early as September, 1946, but it was not until 1976 that the GDR government determined upon its reconstruction.

Since the summer of 1977, construction workers and craftsmen have laboured to recreate in painstaking detail one of Europe's most lavishly decorated theatres and the result is a miracle of restoration.

From the Theaterplatz, dominated by the equestrian statue of the Elector Frederick Augustus I, it looks as if the war might never have happened. The facade bears the encrusted prime of years in the city air. Inside the foyers glitter, the marble vestibules dazzle and the Dresden opera-goers purr with pleasure being back in their opera house and marvel at the detail of the restoration.

What the first night audience at the opening performance of Der Freischütz saw, two weeks ago was very different from the interior last seen during a performance of the same opera on closing night in 1944.

The decorators have restored the interiors to their state before 1909 when the design was updated to the popular Jugendstil, the capacity has been reduced to around 1,500 by removing the amphitheatre seating behind the fourth circle — restricted view — and the pre-war box arrangement of the lower circles has been eliminated, giving a lipside, more spacious impression of the auditorium than in old photographs and removing the elitist divisions implicit in the traditional layout.

Every inch of the interior walls has been repainted in the original patterns. Each niche and crevice of the elaborately moulded auditorium bears hand-painted putti and the wonderful circular ceiling pays visual tribute to the combined art of painting, music and the spoken word. Shakespeare and Sheridan are honoured alongside the dramatists of classical antiquity, to remind us that Semper designed the house for opera and plays.

At the top of the romantic arches, painters have told the pictorial history of opera from Peri's *Euridice*, the first extant example, to the 18th-century *Les Huguenots* and Wagner's

Tannhäuser. Almost every space is filled with rich, neo-classical detail, yet the effect is never bombastic, gaudy or over-elaborate.

Semper's great achievement was to find a unique synthesis between architecture and painting. The Dresden State Opera, and above all its great orchestra, the Staatskapelle, has returned to a home worthy of its musical traditions.

The recovery of its artistic pre-eminence may well prove more difficult than the task of refashioning the house. Ernst von Schuch, friend and admirer of Richard Strauss, was the principal architect of Dresden's solid musical foundations at the turn of the century. He supervised the premiere of Strauss's *Salome*, *Elektra*, and *Der Rosenkavalier*.

On hearing the news of the opera house's destruction Strauss went into a profound gloom. Yet his official links with the Nazis still make him persona non grata to the GDR regime. Although his operas are indivisible with the work of the State Opera — *Der Rosenkavalier* is the opening repertoire opera in the opening programme — I could find no visible tribute to his memory in the building.

Weber, Wagner, and Mozart are there in the foyers and the first circle contains

bronzes of Busch, von Schuch, the great Dresden soprano Meta Seinemeyer, and Karl Böhm, himself no model of political irreproachability during the last years of the Reich.

Joachim Herz's production of *Der Rosenkavalier*, enthusiastically received by the international press, was conducted by the Dutch musician, Hans Vonk, who is to be the new principal conductor of both the opera and Staatskapelle from the beginning of next season. It is a safe and uninspiring choice, reflecting perhaps the difficulty experienced by the GDR of engaging really distinguished western artists.

The opera companies in the GDR remain, in some respects, models of the ideal pre-war ensemble ethic but even they have succumbed to the changing operatic world. For the opening premieres — alongside the Weber and Strauss there were new opera and ballet by the GDR composers Siegfried Mathis and Udo Zimmermann — a number of major roles had to be cast from outside, principally with star singers from the State Opera in Berlin.

But the performance I saw, a revival of Christine Mielitz's clearly delineated, intelligent, never exaggeratedly polemic *Lohegrin*, gave a good indication of the

ensemble's capacity: a firmly sung Knight of the Grail from Klaus König, Covent Garden's recent *Tannhäuser*, and the genuine Wagnerian article; a sympathetic Elsa, vibrantly acted and vocally radiant, from the Hungarian Maria Tomcsák; and a quite outstanding Ortrud, only slightly on the light side, from the resident mezzo Ute Walther.

Under the excitable direction of Hiroshi Wakasugi, chief conductor in Düsseldorf, the Staatskapelle generated great excitement but never quite found the requisite inner radiance for the prelude's *Monstrum* music.

The pit looks smallish — say for an Elektra-sized orchestra — but the acoustic properties of the new auditorium balance instruments and voices in fine equilibrium. Is it too much to hope that the west might pay Dresden a debt by offering our singers and conductors an incentive to appear there regularly? The Semper Opera, gloriously risen from the rubble, would be their artistic reward.

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BRIEFING THEATRE

HAROLD Pinter's *Other Places* (comprising *Victoria Station*, *One For The Road* and *A King of Alakaz*) opens at the Duchess; Dorothy Tutin and Colin Blakely star, Kenneth Ives directs. Marsha Norman's Pulitzer-Prize winning *Night Mother* comes to Hampstead Theatre after success on Broadway. Marjorie Yates and Susan Woodbridge play mother and daughter in Michael Attenborough's production. Stanley Price's *Why We?*, about a redundant civil engineer, opens at the Strand with Richard Briers and Diane Fletcher. Jan Fabre and an 18-strong company arrive from ICA with *The Power of Theatrical Madness* which has apparently taken Europe by storm. Earl Lovelace's *The New Hardware Store*, a contemporary Trinidad and Guyana play, is the third and final production in the GLC Black Theatre Season at the Arts. The RSC/Royal Insurance Armchair Proms offers 700 stall tickets at half price for the current Barbican repertoire; seats on sale from 8.30 a.m. each morning.

Recommended

Coriolanus (Olivier, Thursday to Saturday): Shakespeare's greatest political play in a compelling Peter Hall production with Ian McKellen as the overweening warrior-suited hero.

On Your Toes (Palace): Rodgers and Hart thirties classic danced and sung with real brio.

Michael Billington

OPERA

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Tom Sutcliffe

DANCE

AT Covent Garden tomorrow night there is a cast change in Ballet Imperial which brings Ravenna Tucker and Deirdre Eyden in to the two ballerina roles. Different Drummer and Facade (with Sibley and Dowell) complete the bill. Next Wednesday's Ballet Imperial has Fiona Chadwick in the first ballerina role; the rest of the programme is the same as tomorrow but with Conley and Coleman in Facade.

London Festival Ballet will be at the Congress Theatre, Eastbourne, next week dancing *La Sylphide* from Monday to Thursday. On Friday they dance for the first time Maurice Bejart's *Songs of a Wayfarer*, with Matz Skoog and Patrick Armand. The rest of the programme is Roland Petit's *L'Arlesienne*, the Don Quixote pas de deux, and Harald Lander's *Etudes*.

Mary Clarke

ROCK

The Smiths: Brixton Academy (tonight). Portsmouth Guildhall (Sunday), Reading Hexagon (Monday). Morrissey's contagious misery over Johny Marr's lean and bitter sweet melodies: a winning twinning, though you'll be lucky to find tickets.

Rain DMC: Camden Dingwalls (Tuesday). The Street sound of N.Y.'s Bronx. Two black rappers, spoof rock guitars, and a DMX drum machine.

Elisavinda Neubauer: University of London Union Malet Street (tonight). With the aid of tapes, drills, and dustbin lids, Berlin's Collapsing New Buildings continue to stage their pantomime of panic and claustrophobia. Guesting is the similarly inclined Non from San Diego.

Roy Buchanan: London Dominion (Tuesday). The great lost master of the Telecaster guitar.

Barney Hoskyns

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Frue Leith

Christopher Driver
Food and wine editor

After the abolition of bond washing we can now expect capital gains tax reforms



NOTEBOOK

Hamish McRae

THE CLEAR implication of the ending of bond washing is that the Chancellor is about to make substantial concessions on capital gains tax in the Budget.

The logic runs like this. Bond washing, not to be confused with money laundering

which is rather different, results from having a different rate of tax on capital gains and on income. The difference in the tax rate makes it cost effective for income taxpayers to sell before a dividend payment to investors who do not pay tax. Income taxpayers pay the lower capital gains tax, while non-taxpayers don't care anyway. In effect the market splits the tax saved between the two parties.

The present differential between the two tax rates makes the transaction profitable. But were capital gains tax to be either abolished or at least reduced, the scope for washing would be very much greater. The wider the differential between the two types of tax the more profitable the transaction becomes.

He made it quite clear in last year's budget that this was an area at which he would look further. The argument behind this is principally that capital gains tax is seen as a tax which makes the capital market less efficient at its job of allocating resources, but partly that as securities markets become more international it is becoming harder to police the tax. A study on what to do was carried out by the Treasury last year, and we should see the fruits of this in the budget next month.

What about the implications for pension fund taxation? In as far as there is a lowering of capital gains tax, the relative privilege of the pension funds (which do not pay tax) is reduced. The clear aim of the Chancellor is to make the various forms of savings fiscally neutral as far as possible, and it will be interesting to see how far the backwoods lobbying from the pension industry (which has

been leaning on every tame Tory backbencher it can find) proves effective.

To meet the charge that the Government is meddling with people's pensions (and remember that a large proportion of Tory voters are either drawing pensions, or within sight of that) the Chancellor will have to pursue the goal of fiscal neutrality of savings by stealth. But of course cutting or abolishing capital gains tax is a useful way of making it slightly more attractive, relatively, to build up direct shareholdings, rather than leaving it to a pension fund manager to do it instead.

Finally, while it does not help the figures for the next fiscal year, the £300 million-a-year revenue gained by the change (which most people in the City believe is too low an estimate) will help fund future tax changes on financial transactions. One neat presentational point would be to use the extra £300 million to fund the abolition of

stamp duty, from some date in 1986, when "big bang" happens.

To explain: until the present system of securities trading is changed in 1986 one of the principal protections of the Stock Exchange monopoly is stamp duty. While the jobbers can deal at a nominal rate and every other potential trader has to pay the duty, the jobbers are given a powerful competitive edge over non-Stock Exchange share traders. They can trade by all means, as merchant bankers Robert Fleming are at present doing. But they do so under a government-imposed penalty.

But stamp duty, halved in the last budget, is on the way out. It is a question of when, not whether. Once the London market is fully integrated into the world securities market it would become extremely difficult to sustain the tax. The business would simply be booked abroad, or fly to New York.

But if stamp duty were abolished too early (i.e. in this Budget) the exchange monopoly would be broken before it has time to be straightened out by rule for wider membership. The market would fragment, as it has in New York and Tokyo.

Now some would say that that would solve the exchange right. But if you believe in trying to preserve a central securities market, marked in London, run by (and policed by) the Stock Exchange, there is an argument for trying the ending of its various protective tax breaks (like the concession on stamp duty) to the time when the exchange changes its rules both on dealing and on membership.

Come the autumn of next year the revenues saved by yesterday's tax move will be coming in. Why not abolish stamp duty from that date, for the two would roughly balance each other?

But wait a minute: if they do that, who or what is go-

ing to pay for the concessions on capital gains tax? A new turnover tax on financial services, perhaps? The answer to that question remains clouded.

ICI caution

IT MIGHT seem a little disagreeable of the market to mark down ICI shares so sharply after it managed such an advance in profits, but the job of the markets is to anticipate rather than applaud and the question is whether their caution is justified.

It is difficult to answer that because it is not quite clear why the selling (much of which was from New York) took place. The legitimate ground for concern would be if there were fears that the cyclical nature of demand for ICI products left it vulnerable to a general economic downturn. It is a reasonable worry, but there

is no evidence yet of that. At some stage the great US market will surely move into recession, and when that happens the rest of the world will suffer, and ICI along with it.

But the company is much less dependent now on enormous plants producing boring products, and which have to be run flat out to make any money. The group is becoming cleverer, its product mix less vulnerable. Does the share price fall matter? It may hurt ICI's self-esteem, but it is only really damaging were ICI needing a bumper rights issue. It is very quiet about that, but you would argue that unless plans a really enormous takeover, it would be better for it not to try and twist shareholders' arms for more cash.

In any case there is room for a sight more of growth, which is probably a more sensible course of action than a megapurchase of someone else's problems.

Share price plunges after analysts express caution

ICI through £1 bn barrier

By James Ertlichman, Chemicals Correspondent

ICI has become the first British industrial company to earn more than £1 billion in a single year.

The 1984 achievement had been widely forecast, but to ensure the message sank home in important foreign markets ICI beamed the press conference live by satellite to Frankfurt and to the Eiffel Tower where French journalists watched the proceedings.

Each division of the UK chemicals combine showed substantial earnings gains in every region of the globe as group earnings rose 57 per cent from £619 million to £1.03 billion.

ICI's chairman, Mr John Harvey-Jones, said the growth pattern had been sustained in the first quarter of 1985 and added he would be disap-

pointed if the group's profits did not rise even higher in the current year.

But the stock market, for no clear reason, wiped nearly £200 million off the value of ICI in late trading. Its shares plunged 33p to 831p after City analysts, who were invited to a later briefing, were said to have come out "a little cautious" about ICI's prospects.

Although ICI has taken enormous strides to restructure its basic businesses and markets, it could not have broken the £1 billion barrier in 1984 without a favourable economic wind. Group sales rose by 20 per cent to \$9.9 billion thanks in part to a strong upturn in demand for basic chemicals and plastics. This recovery has always been judged brittle, but there are no obvious signs of it breaking yet.

The biggest single external factor aiding ICI was the weakness of sterling against the dollar and the German mark, which enabled the company to boost exports substantially and to translate its rising overseas earnings into weak pounds. Mr Harvey-Jones estimated yesterday that exchange rate gains added £100 million to ICI's 1984 earnings.

The petrochemicals and plastics division, which reported a 57 million loss in 1983, became ICI's fourth biggest profit spinner in 1984 with earnings of £138 million.

The agriculture division, which makes fertilisers and pesticides, advanced again to £218 million on the back of strong pesticide sales to the United States.

Overall profits from the

United States doubled to around £200 million as ICI continued its sudden drive to become a serious force in the US market against domestic rivals like DuPont and Union Carbide. Most US profits again came from the pharmaceutical division to another record year with earnings of £246 million.

By contrast, ICI's sales in the UK have now dwindled to around 85 per cent of the group's total, and ICI is scanning the US and Japan for more big acquisitions, Mr Harvey-Jones said.

Investors were rewarded with a 6p share rise in the dividend to 30p — but the real level of return on ICI shares is still lower than it was in 1978.



John Harvey-Jones

Taxman to hit bond washing

By Peter Rodgers, City Editor

THE government is to block a £300 million a year stock market tax loophole called bond washing, which is used to convert income into capital gains, which are assessed at a lower tax rate.

The move threw the market in government stocks and government bonds and caused a basic reassessment of the price relationships between indexed and low coupon gilts, and conventional high coupon gilts. Indexed gilts dropped.

The Inland Revenue said that the £300 million a year cost of the device of bond washing was increasing and could "well rise more quickly when the new structure of the gilt edged market is introduced next year."

The main users of bond washing are life assurance companies and unit and investment trusts, together with private individuals, and cash-rich companies. Although many life assureds have been hit by the new rules, the reaction was that the effects would vary widely.

Some companies use the practice more than others, but are expected to switch their investment strategies to counteract some of the effects.

It could also affect the products they offer. For example Abbey Life said it could mean marginally less generous annuity rates.

Life assurance shares in fact shot up as the market concluded that the Chancellor would not have a second go at the sector in the Budget.

Because of the surprise, the gilt market was unable to open until 11.00am.

The device used is to sell a bond just before the dividend date when its capital value is at a premium to the value of the dividend, and buy back a similar bond later, after the dividend has been paid to someone else, normally a discount house, jobber or European trader who would suffer no tax penalties.

For the seller of the bond, this is equivalent to taking the interest as a capital payment. The Inland Revenue says: "Taken in combination with the exemption from capital gains tax enjoyed by most fixed interest securities held for 12 months or more, the annual amount of tax can be avoided."

From February 28, 1986, interest on bonds will be treated as accruing on a day-to-day basis, and in the meantime there will be rules to limit attempts to get round the measures.

Treatment of interest on a day-to-day basis means that income tax is levied in proportion to the length of time the bond is held during the year, rather than entirely on whoever owns it when the dividend is paid.

Individuals with less than £5,000 of stock will be exempt from the scheme, which applies to all fixed interest stocks.

The Bank of England is to limit the activity of discount houses to "normal levels" in the period up to February next year, because the houses are one of the main conduits for bond washing.

They buy bonds from investors who want to do some washing, but escape the income tax.

US trade deficit fuels calls for protectionism

From Alex Brummer in Washington

The strong dollar led to a sharp deterioration in the USA's trade with the rest of the world in January, strengthening the growing protectionist lobby in the United States.

Although the dollar has retreated somewhat in the last 48 hours, this came too late to make any difference to the January trade figures when imports outpaced exports by an alarming \$10.8 billion. Even if the dollar falls from previous peaks, the US government still expects the trade deficit to widen this year to around \$140 billion after the \$123.1 billion shortfall run-up in 1984.

A surge in cheap imports to \$29.8 billion up 9.3 per cent from the previous month — was the main reason for the large trade gap. The Federal Reserve chairman, Mr Paul Volcker, and other US officials warn that these huge trade deficits are not sustainable for any length of time without posing serious risks to the American and international economies.

There was some better news for Western Europe in this January's trade figures. After the initial failure to take full advantage of the opening opportunities on the American market, the US deficit with Europe widened to \$1.99 billion in January — almost double the December figure. This clearly reflected the strong rise in the dollar which

took place after the turn of the year.

But the Western European surplus with the US still well outweighed by Japan, which had a surplus of \$3.67 billion with America in January. This is certain to lead to pressure on Capitol Hill for the introduction of new protectionist measures.

America industry support for a 30 per cent import surcharge is still gaining momentum despite warnings from Mr Volcker about taking such protective action.

In a statement yesterday the Commerce Secretary, Mr Malcolm Baldrige, said that the trade gap would widen this year primarily due to a strong dollar which rose 10 per cent against a basket of currencies of the American dollar. Motor cars in 1984 — and has climbed a further 9 per cent in the surge since December.

Mr Baldrige noted that the US economy was still growing at a strong pace, but was likely to boost imports and contribute to a further deterioration in America's balance of payments.

Oddly enough, despite the loud protests from American exporters about the rise of the dollar, exports held up remarkably well in January, rising 1.4 per cent to \$19.4 billion.

On the import side it was cars from Japan and Europe that fuelled the upsurge. Motor imports from Japan climbed to \$1.06 billion while imports from other countries climbed an astonishing 66 per cent to \$697.6 billion.

RP Martin may go Dutch for £44m

By Mary Brasier

A Netherlands securities group emerged yesterday as the bidder for money brokers R. P. Martin. Quadrex NV unveiled terms which value Martin at \$43.9 million and have been approved by the Bank of England and the group's existing major shareholder.

Martin shares, which were suspended trading at 440p and later slipped to 435p on news of the offer, were owned by the West Germany money brokers which owns 45 per cent of Martin, has given irrevocable undertakings to acquire along with holders of a further 8.8 per cent of the group, including directors.

Quadrex headed by Mr Gary Klech has only just been incorporated in the UK, but is

described as an international investment banking group offering a variety of financial advisory services.

The deal complies with Bank of England rules which restrict ownership of money brokers. Banks are allowed to own more than a 10 per cent shareholding. Martin said yesterday that the Quadrex proposals were acceptable to the Bank and the recognised broker status of the group would not be affected by the change of ownership.

Quadrex said that it planned to develop Martin's business under the group's existing management. (Chief executive Peter Endres will stay on.) It is intended that Martin and the Quadrex group will work together to take advantage of the opportunities to provide services which emerge as worldwide capital markets develop.

Call for ECGD boost

By John Hooper, Trade Correspondent

The Commons Trade and Industry Committee yesterday called on the Government to provide the Export Credit Guarantee Department with more staff and better resources to carry out its work.

The committee's report — based on evidence gathered at the hearings, which would automatically increase the size of the government's deficit, alarms the Treasury. But the

as a valuable vote of confidence at a time when the Department is coming under increasing pressure from the Treasury to ensure that it breaks even in the shorter term.

The ECGD, which ensures

exporters and banks providing export credit against non-payment, has found itself in an increasingly difficult position as a result of the international debt crisis. In the last financial year it was forced to borrow money from the Consolidated Fund for the first time in 30 years.

It is the prospect of further borrowings, which would automatically increase the size of the government's deficit, alarms the Treasury. But the

in its report that "the nature of ECGD's business is such that the final outcome of all the risks underwritten in any year cannot be assessed accurately until several years later, when the risks have expired."

The MMC indicated that it pursued its present actions did not believe that one proposed solution to the dilemma — compulsory licensing rights group, as a gesture of goodwill — would be effective. Another

manufacturer, BL, is negotiating to allow independent to make replacement parts in exchange for royalties of between 10 and 15 per cent, but Ford has argued that it would need a minimum 60 per cent royalty just to cover its costs.

The MMC report acknowledged that the law stands, Ford is within its rights to

NEWS IN BRIEF

THE Sanderson furnishing fabric and William Morris wallpaper company is being put up for sale by its owner for the last 20 years, Reed International, Sandersons, with annual sales of \$25 million and profits of £1 million, employs 1,000 people in two weaving mills and a carpet factory, making Wiltons in Dundee. It also owns the famous Berners Street showroom off Oxford Street.

Mr Kenneth Morton, Reed's finance director, said the company saw it as outside of its mainstream business. "Frankly, there are more rewarding returns to be had," Reed also announced the sale of the Crown wallpaper company, with mills in Darlington and Oldham, Lancashire, to a US wall-covering multinational, Borden Inc. Crown employs 900 people.

It is paying Reed £26 million for Crown, and Sunworthy Wallcoverings of Canada, based in Toronto, somewhat above their value in Reed's books.

The three companies have made losses of £44 million in the three financial years between 1980-1 and 1982-3, while Reed undertook a major programme of market adjustments and cutbacks.

PLANS to launch a new cut-price transatlantic airline, Highland Express, have been shelved for a year because of difficulties with aircraft modifications. Highland has also been given a new hearing at the CAA to satisfy the authorities that its finances are satisfactory.

SELTRUST shareholders voted in Perth, Australia, yesterday to wind up the existing company and appoint liquidators. Under a modified scheme of arrangement it is proposed that Seltrust shareholders should be offered shares in a new company or a cash option of 60 cents per share. Seltrust said it hoped the new scheme of arrangement would satisfy minority shareholders, and BP Australia, which owns 75 per cent of the company.

SHARES of House of Fraser, the Harrods stores group, rose by 6p to 328p yesterday on news that the Monopolies Commission report on the relationship between Lohr and Fraser has been completed. Mr Norman Tebbit, Secretary of State for Trade and Industry, is expected to deliver his verdict on the investigation later this month.

THE amount of new sterling money raised by the issue of marketable securities rose to £892 million in February, according to latest statistics from Samuel Montagu. That compared with £531 million in January and £550 million in February, 1984.

THE General Council of British Shipping yesterday warned that shipowners would continue to move their operations abroad unless the government matched the substantial investment aid offered in other countries. Last year the British fleet fell by 80 ships to 689 ships against a peak of 1,614 ships ten years ago.

Sell-offs flop, says report

By David Simpson, Business Correspondent

THE Government's privatisation programme to date has failed to achieve even the Conservatives' own objectives, according to a report published today.

The report by the Labour Research Department catalogues the Government's missed aims, among which it includes receiving a fair price for assets sold; increased competition; improved efficiency; and creating wider share ownership.

Drawing on the opening stock market prices of assets sold through fixed price offers, the report records that the assets were undervalued by an average 27 per cent while other nationalised companies, sold by other means, now appear to have been substantially undervalued.

And yet, "massive job losses prior to privatisation result in the taxpayer picking up the redundancy bill and the new owner obtaining a trimmed down highly profitable asset."

The public had had to pick up another bill for the government's privatisation policy in the shape of the fees of 161.6 million pounds paid out to underwriters, financial and stock advisers and stock brokers, in the five years to 1984.

Yet in return there had been few advantages to the public. While the average pay received by the chairman in six of the largest state corporations to be sold had risen last year by 229 per cent, there was evidence that employees' conditions had deteriorated, with jobs lost, working hours increased in at least one instance, and amended redundancy and pensions provisions.

The National Health Service had been a leading victim of the government's failure to achieve its own privatisation objectives. Contracting out had led to dramatic declines in services, together with employees' pay and conditions, while where local authorities had sought tenders for domestic services, none of the contractors had been deemed satisfactory.

Magazines fear VAT

By Maggie Brown

Nine hundred and sixty publications and 600 jobs could be lost if the Government imposes 15 per cent Value Added Tax on magazines, claims a report by Binder Hamlyn for the publishing industry.

This represents nearly 20 per cent of trade, technical and consumer magazines, and 10 per cent of jobs. Magazine publishing companies would find profits reduced by 36 per cent, or £20 million, with redundancy costs totalling £13 million.

The report says 15 per cent on cover prices will lead to raised charges — though a number of major companies, including EMAP, have already put up prices to take account of the possible budget changes.

Burnett & Hallamshire shares crash on worries about debt

By Andrew Cornelius

Shares of Burnett & Hallamshire Holdings, the open cast mining and property group, yesterday crashed on the stock market as fears grew about the extent of the company's debts.

By the end of the day Burnett shares had almost halved from 195p to 70p, to wipe more than £28 million off the company's stock market value. Less than two years ago shares traded at over £4, buoyed by 15 successive years of profit growth.

The dramatic collapse in the share price followed the release of a statement from Mr Eric Grayson, Burnett's chairman, stating that the group was holding discussions with its bankers with a view to seeking their cooperation in achieving a reduction in the overall indebtedness of the group.

The statement went on to say that one of the steps being taken to reduce the group's exposure to its troublesome Horniman property investment. But it added: "This reduction is likely to take some time to achieve."

Burnett & Hallamshire's demise from its status as a growth stock to laggard began shortly after the former chairman, Mr George Helsby, resigned through ill health in August 1983.

The group's profits collapsed from £30 million in 1982/1983 to less than £9 million in the following year to March 31 1984, as earnings from the Californian property interests disappeared.

Since then trading conditions have also worsened in the group's underground mining operations, which have been hit by the miners' overtime ban. Burnett's profits from UK oil distribution and property development have also been hit by weak markets. This resulted in a further reduction in pre-tax profits to £2.45 million (against £4.92 million) for the half year to September 30 1984.

Mr Grayson indicated when announcing these figures in November, that he hoped to achieve material progress in reducing the number of development projects in California in the second half of the financial year.

Other group companies refuse to reveal their NBS profits which are negotiated in secret with the government. Profit cuts imposed in 1983-4 by the government appear to have trimmed Fisons' earnings from its branded chemical products. But the shortfall was made up by the group's expanding generic drugs division which is also likely to benefit this year from the new NBS "limited" which is weighted heavily toward cheaper, non-branded medicines.

More than half of the money from the one-for-five rights issue has been earmarked for further foreign expansion. Fisons shares closed 15p higher at 301p.

The biggest gains came from the scientific equipment division where the US acquisition of Curtin Matheson helped earnings rise from £5.7 million to £15.5 million. The horticulture division, which has also made a big acquisition in Canada, saw profits rise from £3 million to £5.5 million.

Fisons' biggest profit earner remains, however, its UK pharmaceutical division which is a world leader in its field of

allergy products. Profits grew from £25 million to £31.2 million with much of the gains coming from exports to the US where sales of products like Intal and Nasacrom rose by 75 per cent.

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Fisons puts out call for 'renaissance' £94m

By James Ertlichman, Chemicals Correspondent

Fisons continued its rapid renaissance yesterday when it boosted 1984 profits by 55 per cent and asked shareholders for another £94 million to fund future expansion.

In the last five years the pre-tax profits of the drugs-to-horticulture group have climbed from £3.5 million to the £48.3 million announced yesterday.

Fisons also broke ranks with the other secretive members of the UK drug industry by allowing profits earned from the National Health to be disclosed. Despite government measures to cut the NBS drugs bill Fisons' profits from the health service remained steady at about £12 million on sales of £35 million.

A string of disposals and acquisitions has shifted the focus of Fisons' markets and profits abroad. Eighty per cent of group sales, which rose by 51 per cent to £593 million, now come from outside the UK.

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The Post Office management wants a radical shake-up. Michael Smith reports

Will the post union deliver the goods?

NEXT WEEK will bring a crucial three days in the long history of the Post Office. A turning point in its affairs will be reached on Monday, Tuesday and Wednesday as representatives of 120,000 postal workers meet in Bourne-mouth for a special conference of the Union of Communication Workers.

Ordinarily, conferences of the union are far from capitalising occasions. This time, though, the meeting carries immense significance for the Post Office, its 175,000 workforce, and customers, and will help determine its shape and style for decades to come.

The special gathering has been summoned in response to growing pressure from the management for a radical shake-up of long-standing work practices, staffing policies, and for the introduction of new technology.

Normally, such an industrial relations package would be the subject of a fairly straightforward negotiations — the sort of debate which takes place regularly between workers and management.

In this case, however, it is different because the union one of the country's most democratic trade unions, vests its power in the hands of delegate conferences. Next week's three-day conference seeks approval to alter the balance of power and give the negotiators a free hand to discuss directly with the management.

Union officials are cautious about forecasting the

outcome of the conference, while PO executives remain adamant that the new regime of work practices, staffing and technology agreements must be implemented.

Intriguingly, the union's hierarchy would prefer to negotiate its way through the minefield of change proposed by the management. But it is by no means certain that the rank and file will give the executive that power.

The Post Office is firm in its resolve to push the measures through as soon as possible. This means that if the rank and file turns down the executive's plea, the very real prospect exists of the first national postal dispute in over a decade.

The measures, designed to match staffing levels more accurately to the volume of mail passing through the system, centre largely on changing long-standing work practices, extending new technology behind the counter, getting more from sorting mechanisation, and using more part-time staff.

These are highly emotive subjects in the organisation and, indeed, executives prefer not to use the phrase "part-time staff." They prefer the more cumbersome, but less sensitive "less than full-time" staff.

The increased use of part-timers is fairly typical of the ways in which the management believes it can make the business more efficient.

Ideally the PO would like to cut down drastically on the traditionally high levels of overtime enjoyed by postal workers in favour of

more part-timers who can be drafted to cope with peak mail traffic flows in, for example, the late summer months or even on Saturday mornings.

Postal workers, though, are strongly opposed to part-time staffing, even though a high level of casual staffing is tolerated for the Christmas season.

However, postal workers have given the Union what amounts to an effective embargo against an increase in casual staffing above levels reached in 1979, and there is a similar embargo which prevents the PO making greater use of the machinery for mechanised sorting of mail.

Ending these embargoes is crucial to the package, as are other elements like changing working practices.

In return for the union's acceptance of the need to negotiate and implement such changes, the Post Office is, in effect, offering workers a mixture of job security, some special payments, and a lot of "jam tomorrow."

The job security will emerge in the shape of a firm commitment of no compulsory redundancies among the 100,000 postmen and 20,000 sorters. However, the no redundancies commitment emerges at a particularly difficult time in industrial relations elsewhere, since the Post Office will shortly be unveiling new plans to introduce automation at postal counters. This must inevitably pose some threat to the jobs of back-room clerical staff.

These workers, though, are not part of next week's debate. The union itself has already managed to extract some useful payments for staff affected by earlier productivity schemes. Savings from new working methods were split up, with 55 per cent going to staff. A similar deal seems likely if the conference gives its negotiators the power to discuss directly with the management.

The jam tomorrow element is essentially a message from the board that the new working measures will make the PO a more efficient and profitable enterprise. Union officials privately accept that the best way to safeguard



employment is to work in an expanding business, and they are anxious not to be seen as 20th century Luddites when it comes to new technology.

The Post Office case is certainly strengthened by its recent trading performance when, against all expectations, the business has expanded greatly in the depths of a recession, increased its profits, and maintained a large programme of capital investment.

However, the board is convinced that the scope for further advances is limited by work practices. And union executives are quietly confident they can negotiate

a sensible agreement for the 120,000 workers likely to be affected.

The Post Office is anxious to expand and modernise notably in the fields of counter services where it believes its 21,000 outlets can scoop competitors with banks and building societies.

Union leaders would like the membership to be part of that growth and development — provided the terms and price are fair.

Next week union representatives must decide whether they will give their negotiators a free hand to discuss that participation. If they do not, the stage will be set for an unhappy time in postal industrial relations.

Mary Brasier reports on the City's reaction to regulation plans

Single minded

LEADING City figures yesterday endorsed the government's proposals for future regulation of the Square Mile, but urged that a single body should be responsible for policing City institutions. The City Capital Markets Committee, which includes bankers, investment managers and stockbrokers, and is sponsored by the Bank of England, believes that the task of protecting investors should lie with one regulatory body. The white paper proposals suggested two regulatory bodies but said they might subsequently merge if the City so decided.

"It will be of critical importance that the new system gets off to the best possible start and that nothing is done which might tend to limit the authority of its leaders," said the committee in a formal reply to the January white paper.

The committee's main argument is that a single body would cover both securities and the marketing of investments.

Separation into two bodies would undoubtedly cause real problems in drawing lines of demarcation, entail duplication of effort in building up the necessary information base, and risk the emergency of "gap" in the coverage of the final framework as well as confusion in the minds of those outside the financial community," says the committee's report.

With the choice of a securities supreme to act as watchdog for the new regulations still unresolved, the committee reminds Whitehall and the Bank of England that it is important to recruit "outstanding" people to head self-regulation.

"It will not be easy to find individuals of the right quality able to spare sufficient time, and selection would be all the more difficult if there were two bodies

competing for the available talent," the report continues. The committee also argues that the legislation proposed by the Government should include the investment business of life assurance and pension funds and that each area of investment business should be policed by a single regulator.

"While there are clearly aspects of pension administration and life assurance which fall outside the ambit of investment business those employed in the investment activity inside such entities are no different in their dealings with the capital markets from those who will come within the scope of the legislation," the committee's report argues.

The report goes on to add that the structure proposed by the Government's white paper will need to be supplemented, by for example the inclusion of the existing Takeover Panel and a commitment by the Department of Trade to investigate suspected crimes if the new securities and investment board asks for an inquiry.

"In the committee's view a system of self-regulation which attempts to ensure good behaviour solely by the threat of a 'nuclear' deterrent is likely to fail," says the committee. It argues that the new regulatory body should have the power to impose minor penalties including fines. "If this approach gives rise to constitutional difficulties it is in our view a matter of the utmost urgency that the difficulties be considered and resolved," the committee says.

Its response to the white paper assumes broad agreement with the Government's principles that policing of investment and securities bodies is best left to the City itself, but adds the important proviso that the trade Secretary's proposals need fine tuning.

FISONS

ANOTHER RECORD PERFORMANCE

Profits £48.3 million - Up 54.8%

Preliminary Results for 1984:

- A record pre-tax profit of £48.3m (1983: £31.2m).
- Sales up 51.2% at £552.6m, with particularly strong growth in the USA, Japan and mainland Europe. Overseas sales now account for 80% of the total.
- Emphasis on marketing and operating efficiency increased market share and profitability in the key areas for all three Divisions.

- Six acquisitions carried forward the Group strategy of expanding in international growth industries with strong profit records.
- High level of research and development continued.

Fisons today is an internationally expanding and technology based company operating three core business Divisions: Pharmaceuticals, Scientific Equipment and Horticulture.

	1983	1984	% increase
£m	£m		
Sales	365.4	552.6	+51.2
Group profit before taxation	31.2	48.3	+54.8
Group profit after taxation	25.1	38.0	+51.4
Earnings per share	14.4p	19.5p	+35.4

The Board is recommending a final dividend of 2.7p net (2.25p net) per Ordinary share, making a total of 4.5p net (3.75p net) for the full year, an increase of 20%.

The comparative figures set out in the preliminary results above are an abridged version of information contained in the Group's financial statements for the year ended 31 December 1983 which have been filed with the Registrar of Companies. An unqualified audit report was issued in respect of these financial statements.

Fisons Pharmaceutical Division is a world leader in the fields of allergy and immunology with rapidly growing sales particularly in the USA, Japan, and EEC countries. To maintain its leadership position its laboratories work at the frontiers of allergy research.

Fisons Scientific Equipment Division is the world's third largest supplier of science products and is expanding dramatically, especially in the North American healthcare market.

Fisons Horticulture Division's products are market leaders in the UK being sold both to the leisure gardener and the professional grower. The Division is also developing new markets in the USA and exports around the world.

FISONS
Horticulture
Pharmaceuticals
Scientific Equipment

Savers 'need champion'

SAVERS should have their own ombudsman, like the one already appointed by the insurance industry and soon to be appointed by the banks, the chairman of the National Consumer Council said yesterday.

"We pride ourselves on the competitiveness of the market for savers in this country, but I hold it as an article of faith that markets will only operate effectively if those who buy in them, who are defrauded or damaged by the promises made to them, have adequate means of redress," Mr Michael Montague told the City University Business School.

He explained that he had in mind an ombudsman financed by the savings industry "but with a sufficient degree of independence to command confidence and respect as an adjudicator."

"It seems to us, in the NCC, that he should be able to make judgments in the light of good business practice as well as with reference to the formal legal contractual position."

He described the present arrangements for dealing with disputes between building societies and their members as "pretty run-of-the-mill" and said that individuals whose only recourse in a dispute was to the courts were placed "at a very considerable disadvantage."

There might at present be very few disputes between building societies and members, but legislative proposals to allow the societies to act more like banks would inevitably "involve a much higher degree of potential dispute than current operations."

Mr Montague said he would also like to see a new, independent redress system other than the courts, for people with pension problems, and wider powers given to the existing insurance industry ombudsman to allow him to deal with disputes on actuarial matters.

"One of the greatest single complaints I know that consumers have against insurance companies is the extremely bad value for money which they get if

they have to surrender a policy soon after taking it up. It is not satisfactory that investors can be subject to very heavy selling pressure to buy a policy which may not turn out to be precisely what they need, and then lose substantial sums of money when they wish not to continue with it."

"Providing a mechanism for relieving disputes about this would deal with what I believe is now an area of major dissatisfaction with the life assurance industry."

On pensions the increasing popularity of the personal, portable variety would result in people entering into highly complex agreements "which many of them will understand only imperfectly." The full implications of some pension schemes would emerge only in 20 or 30 years' time "and the thought of having to settle in the courts what was meant by an agreement entered into that long ago simply horrifies me," the NCC chairman said.

Rosemary Collins

ICI in 1984

Profits over £1 billion in record year.

The Board of Directors of Imperial Chemical Industries PLC announce the following trading results of the Group for the year 1984 subject to completion of the audit, with comparative figures for 1983

ICI Group financial highlights

"Group" means ICI and its subsidiaries. "£m" means millions of pounds sterling.

	1984	1983
£m	£m	
Turnover/sales to customers outside the Group		
Chemicals - UK	2,346	2,184
- overseas	6,474	5,264
Oil	1,089	808
Total turnover	9,909	8,256
Trading profit	1,063	693
Profit before taxation	1,034	619
Net profit attributable to parent company, before extraordinary items	605	397
Earnings (before extraordinary items) per £1 Ordinary Stock	98.2p	65.3p
Dividends per £1 Ordinary Stock	30.0p	24.0p

Trading results for the first quarter of 1985 will be announced on Thursday 25 April 1985.



Imperial
Chemical
Industries
PLC

Kerridge pulls Fisons out of the mud

By James Erlichman, Chemicals Correspondent

Fisons wrote its own success story yesterday when it announced another athletic leap in earnings and confidently asked shareholders for \$94 million to back its overseas expansion plans.

Only three years ago Fisons was bogged down in the mud of Ipswich, prepared only to keel over with exhaustion. Like so many contented companies Fisons had grazed contentedly in British fields. It was stunned to find it could not even support its own weight and clods to lead the recession came.

Fisons survived because it gave its head to an unlikely man who shook off the dead weight and clods to leave the company to a new drug. John Kerridge did not cook or act like previous Fisons bosses. He lacked their knightly

their Pall Mall manners and their tunnel vision.

Fisons always was a strange beast: a lumbering fertilizer and pest group with an advanced but small pharmaceutical company tucked under its belt. Profits from the agricultural businesses were supposed to fund drug research until the next breakthrough could be found.

Within months of taking over Mr Kerridge was obliged to do the unthinkable not once but twice. The fertilizer business had gone to pot because it could not compete with the giants of the industry like ICI. Mr Kerridge sold it for \$50 million to Norsk Hydro and Fisons of a big cash drain. Only weeks before he had been forced to abandon Fisons' only hope of a new drug breakthrough when the allergy medicine threw up cancer dangers at its final safety hurdle.

Fisons' market capitalisation had fallen to a miserable £45 million and Mr Kerridge admitted with comfortable hindsight yesterday: "I'm surprised no one pointed; it would have been easy to take us over."

Yesterday the stock market valued Fisons at a hefty £720 million. It is far easier to discard deadweight businesses than to find profitable new ones. The City obviously believes that Mr Kerridge, who earned his spurs as an axeman, also knows how to build.

It would have been tempting to build up Fisons' drugs division, but also futile and horrendously expensive in a market dominated by giants like Hoechst and Eli Lilly which might have swallowed Fisons whole before it found its feet—and still could. Mr Kerridge took Fisons

down the less glamorous road of investing in scientific instruments—an allied field where the entry fee is far cheaper. Last February the self-entitled equipment distributor, Curtin Matheson, was acquired for \$50 million, and a smaller acquisition followed. The purchase price was immediately recouped when Fisons decided to abandon another long-standing British business—its joint pesticides venture with Boots. FBC, which brought in £60 million.

Like its much bigger old rival, ICI, which reported record profits of £1 billion yesterday, Fisons has made a quick exit from Britain to find new markets and profits. Six years ago Fisons sold just 20 per cent of its goods abroad and 16/77th, 170 miles east of the United States. Now 90 per cent of sales come from abroad and 43 per cent from the US alone.

Even the old agricultural division, known for its garden products like Grolag, is making foreign acquisitions. At least £50 million of the new rights issue money is earmarked to fund more expansion. Without apology or hesitation John Kerridge says: "We are likely to go for scientific instruments again and I certainly would not rule out ethical pharmaceuticals or horticulture. But the acquisitions will in all likelihood be abroad, not in the UK."

The assessment has no element of personal pique. These days the British commercial establishment is quite proud of John Kerridge, despite his ordinary background and distaste for club etiquette. He was even asked to give the latest Quilter Goodson lecture on foreign industry at Emmanuel College, Cambridge. East Anglia remains a fine



John Kerridge

place for academic speech making, but it is no place to get stuck in the commercial mud again.

Bond washing blues hit the gilts sector

THE MARKETS

The Chancellor's move to counter bond washing came as a bombshell to the gilts sector yesterday.

Dealers delayed making prices in government stocks until 11 am to work out the impact on quotations. In the event prices were very mixed. The main beneficiaries were the low coupon and index-linked issues which finished with gains to around two points. Long-dated stocks suffered as a consequence, but falls rarely exceeded 75p.

Elsewhere share prices were steady as the pound held up well after Wednesday's dramatic recovery. Sentiment was given an additional boost by the 97 per cent full-year profit increase from ICI, which matched best expectations. The shares closed 9p down at 847p after hours, having touched 873p immediately after the announcement.

Fisons also pleased by reporting a 55 per cent surge in earnings and a \$94 million rights issue for expansion. The shares climbed 15p to 301p.

In contrast, Barrett and Hallams, a dull market of late, slumped 65p to 70p (after 63p) on the news that the company is in discussions with its bankers in an attempt to reduce borrowings.

Life insurance took a turn for the better on the view that they will escape budget tax penalties now that the Chancellor has closed the £300 million-ecolife loophole in gilts. Sun Life saw the trend with a 17p rise to 759p.

Banks were neglected. Oils recovered most of their early falls that stemmed from lower oil prices. Tricentrol was wanted against oil takeover speculation, up 10p to 205p. Stores and foods made a mixed showing. Buildings and properties also lacked a decisive trend. Tea shares retreated with falls to 13p. Golds charted a narrow course, ending with modest gains in the majority.

Among leaders PTE rose 10p at 840p, while Beechams, 35p, gained 5p. BCI made a similar improvement at 809p. Gains of 3p or 4p showed for Hawkers 441p, Tate & Lyle 488p, GKN 214p, and P & O 363p. Imperial Group, however, shed 3p at 189p, while Grand Met eased 2p at 283p, and Marks & Spencer 2p at 133p. Reckitts Shares index down 0.38 at 608.13. Sterling Index 71.3 (1975=100). RPI 359.8 (January) up 5 per cent on year.

FT Ordinary Share Index down 0.3 at 979.9. FTSE 100 index up 0.9 at 1,259.7. Pound: at 189p, while Grand Met eased 2p at 283p, and Marks & Spencer 2p at 133p. Reckitts Shares index down 0.38 at 608.13. Sterling Index 71.3 (1975=100). RPI 359.8 (January) up 5 per cent on year.

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COMPANY BRIEFING

Saga ends on a profit

After increasing its mid year loss, Saga Holidays ended the year to October 31 with a pre-tax profit of \$2.5 million—nearly 5 per cent up on the \$2.4 million for the previous 18 months.

UK trading was tough throughout the year with stiff competition squeezing margins despite an improvement in load factors on charter aircraft. The group offset this to an extent by reducing costs.

Saga International improved its sales by 43 per cent and Mr Roger de Haan, the chairman, says that this justifies "our confidence that a successful North American version of the Saga formula has been developed."

The strength of the dollar clearly assisted us in achieving faster growth than that originally expected. The group also continued to develop its domestic American holiday business, which achieved a "good increase" in sales.

On current trading, Mr de Haan says that UK bookings have not maintained the strong increases experienced earlier in the booking period, but are still running "somewhat ahead" of last year.

In the US, bookings are well ahead, and the board expects this to be maintained.

Raglan doubles

Raglan Property Trust has bought a package of properties from the Glywed Group which will more than double

GOOD Relations, the only fully quoted FR and advertising group, managed a 53 per cent jump in profits to £1.3 million in 1984. This was what the market had expected as the shares lost 2p to 225p on the news after a brief rise to 231p.

This is a lot easier than the 210p low hit by the shares early in February after news that two directors had quit after the decision to close down the FR activities out of the City.

The group has since reversed the decision and although the two directors ran an account group with £150,000 of fee income—just under 2 per cent of turnover—just one third of this business is going with them.

A breakdown of the results shows that new acquisition Paul Wimmer Marketing made a profit of £150,000. This compares with a loss of £26,000 under Mr Wimmer who operated on a rather different tax basis.

The fast growth of the consumer and technology business pushed up its contribution by 178 per cent, and accounted for 35 per cent of the group total, while financial and corporate FR maintained its profit and accounts for 32 per cent of the group total, with design

Raglan's asset base to £8.1 million.

The acquisition involves properties in the West Midlands, Manchester and Bolton. They are sites which were put on the market as Glywed decided they were surplus to operating requirements. Raglan, which is paying \$4.25 million via a share deal with Glywed, expects to more than double annual income to around £50,000 as well as boost its assets from a current figure of £3.9 million.

The deal with Glywed means the group now hold a near 29 per cent stake in Raglan, and two Glywed directors will join the Raglan board. Glywed says it regards the Raglan shareholding as a long-



MD Maureen Smith

and advertising, 28 per cent of the total, also holding its contribution.

Maureen Smith, the group's managing director, said yesterday that the group's office in New York was not likely to affect profits either way this year but a contribution for next year was expected. Over half the group's present clients do business in the US and after a period of judicious head hunting the group expects to be able to offer its full range of services there.

There are no plans as yet for a Wall Street quotation for the group.

term investment, and it is not planning to buy further shares. Glywed has property interests in the UK valued at £33 million and the current sale represents a disposal of some of the portfolio's development sites.

Enterprise pays £14m

Enterprise Oil is paying £14 million for Tanks Consolidated. Investors wholly owned exploration and production subsidiary, Tanks Oil and Gas Holdings.

Tanks has interests in 12 blocks in the UK sector of the North Sea and six in the Dutch sector ranging between 14 per cent and 5 per cent. They include the Bosun gas condensate discovery on 16/26 and 16/27/28, 170 miles east of the Moray Firth and two gas discoveries in quadrant 48 of the southern North Sea, 70 miles off the mouth of the Humber.

In the Dutch North Sea they contain the P6 gas field which came on stream in December, 1983, and a gas discovery on block P8 and a gas discovery on block P2. All three fields are 50-60 miles north-west of Amsterdam.

Enterprise will pay up to a maximum of \$4.5 million, if and when development plans are approved for discoveries.

The deal represents the first step in the build-up of Enterprise's exploration base in the UK North Sea. It also provides it with a stake in exploration and production offshore the Netherlands.

JOHN ASPINALL made a tidy profit on his 1967 investment of £1,000 in wallpaper and furniture shop Osborne and Little, which recently joined the USM. He has given 185,000 shares to the foundation which runs his zoos at Port Lympne and Howletts and these have been sold and the proceeds used to fund the foundation's work. The stake was worth £366,000 at yesterday's share price, while his remaining 55 per cent holding is valued at £793,000.

Bearing up at SKF

SKF the Swedish ball-bearing multi-national, with a strong UK marketing presence, yesterday announced an increased dividend for 1984 of 8.5 Swedish kroner, compared with seven, on operating income up at 2.1 million kroner (£205,000) compared with 1.4 million kroner.

The company has recently won automotive bearing contracts from Austin-Rover, ousting the traditional British supplier, Ransome Hoffman Pollard, and entered into abortive negotiations to buy RHP's main ball-bearing business—a move which would have cost over price, though RHP is clearly too small and too UK-oriented to compete with the world majors.

SKF, which has spent hard on high capacity cost-efficient automatic production says that this should now help it towards higher profits still in 1985.

Telefusion confusion

The restructuring of Telefusion's main retail rental business caused confusion in the group's 200 shareholders. This is behind the drop in turnover from £33.3 million to £28.8 million for the half year to October, and the consequent fall in profit from £1.2 million to £593,000.

The group's plan to merge its Telefusion and Telecommunications divisions under the Connect name also threw up a £900,000 exceptional charge so the group ended the six months with a pre-tax loss of £261,000. The interim is cut from 0.85p to 0.65p.

The board emphasises that the merger will eventually cut costs and lay the foundation for growth in profits in future years.

The group is using the £2 million it has received from Pleasurant TV to reduce its borrowings.

A question of surviving

Clive Woodcock on after-care



SMALL BUSINESS

MUCH of the help offered to small firms over the last few years has been directed towards encouraging people to think about running their own business, generating a rapid increase in the number of start-ups.

There is certainly a great deal to be said for promoting the idea of enterprise and increasing the number of small firms in the economy as this can underpin the growth of a better balanced economy, create a ferment of ideas which will lead to growth.

But in order for the growth to occur and balance in the economy to be maintained these new small firms have to survive and develop. It is one thing showing people how to produce a business plan and prepare a case for extracting finance from investors to fund the business; it is quite another actually to get the business off the ground and manage it in the next phase.

The start-up phase in the stage which has received all the attention so far but the second stage, the first one, two or three years of the life of the business, and the kind of assistance needed in that phase has not really been examined or provided.

Constraints on resources is

of course, a major problem area, was one of the points mentioned in these columns recently by John Rothorn, director of the Cheshire-based local enterprise agency, Macclesfield Business Ventures. He had increasingly recognised the need for more "after-care" for the new firms the agency had helped into existence but so far had not been able to provide it.

The problem has been noted in other countries too, as was shown by a recent French research project into what they call the D-phase or "démarrage" and covering France, Morocco, Tunisia and the United States, some of the early results of which were described in the research journal, the International Small Business Journal.

Recognising that there is a problem is not of course the same as solving it. One of the difficulties helping firms at this stage in their development, in addition to resources in the form of funds and advisers, is that of an effective delivery mechanism and one which is acceptable to the small business proprietor.

It is therefore particularly interesting to note that the conclusions of a report on the impact of local enterprise agencies in Britain published this month suggest a shift of emphasis of the work of agencies in favour of following up recently established firms and preparing a case for extracting finance from investors to fund the business; it is quite another actually to get the business off the ground and manage it in the next phase.

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lished jointly with Business in the Community, the "umbrella" body for the local enterprise agency movement. A number of studies of agencies have been published but this is probably the most detailed analysis undertaken so far, looking at the work of 13 agencies in England, Scotland and Wales and including one of the originators of the movement, the Small Industries Group in Somerset, as well as an agency which had been operating for less than a year.

The survey was based on 370 in-depth interviews: a majority of those interviewed were enterprise agency clients but local authorities and other observers were included. Agencies scored highly in assessment of their performance relative to that of other local business support organisations such as banks and chambers of commerce, a finding which is intriguing in view of the number of secondaries to agencies from banks. On the other hand, banks particularly have seconded young executives to agencies, viewing the move as part of career development as well as community help, rather than seconding people close to retirement. Responses to banks may improve in the longer term as secondaries become managers and move up the scale of influence.

Clients and others rated the agencies in first position in terms of contribution to their specific businesses and to small firms generally. Eleven per cent of those starting in business and 9 per cent of those already in business felt they would not have started or would have "gone bust" without the assistance provided.

A further 35 per cent of start-ups and 38 per cent of existing firms felt that it would have been more difficult to start or that they would have taken longer to do so, or that they would not have so many people employed without assistance from an agency.

The study also shows the indirect impact of the agencies, indicated by the attitude and changes in behaviour of other local institutions. The most frequent effect reported by private companies and

local authorities was an increase or improvement in relations between the private and public partners, primarily through joint participation on the agency board.

A number of operational lessons for agencies were drawn by the survey, linking agency characteristics to their performance.

The three main lessons were that the choice of director was crucial in achieving a successful agency, with personality and commitment being more important than background and whether he or she was a seconded, the role of chairman was similarly vital with a need for him to be actively involved in agency affairs and have wide-spread local contacts and knowledge of the local scene; and active involvement at all levels by a broadly based range of sponsors also played a key part.

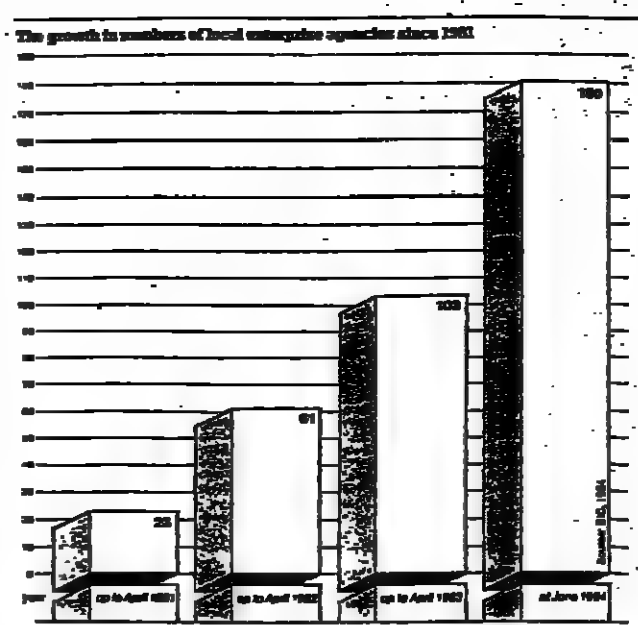
The survey found that there were indications from some agencies that the proportion of new start inquiries that appeared to be potentially viable was now decreasing. There was, however, positive evidence from the research that follow up activity paid useful dividends.

These findings also suggested that involvement of existing firms might be more productive in terms of job numbers than new start-ups, though no analysis was made of other variables such as the amount of agency time and resources taken up respectively by existing firms and new start-ups.

Greater emphasis on existing enterprises would also reduce the risk of agencies being drawn into creating large numbers of possibly marginal mini-businesses.

In the context of a widespread perception of a gap in the provision of low-level risk capital (though much of the perception was at the "it would be nice if..." level) agencies could potentially play a useful delivery mechanism.

They could fill this role, says the report, because by being closer to the ground they are better placed to undertake appraisal, monitoring and support roles, and they possessed the requisite skills.



Whether all agencies would look with favour on the prospect of being a focus for people seeking start-up finance and of having to reconcile their advisory / advocacy role with that of financial decision maker "is far from clear."

There are also some observers who would question whether a substantial number of the agencies in fact have the requisite skills in this field, especially in view of the strains caused by the rapid expansion in the numbers of agencies around the country.

The report looks at the question of some of these strains and asks whether agencies can be left to develop as they are without additional public assistance.

On the basis of the evidence from the agencies covered by the research, agencies appeared in general to be "less than satisfactory" as an input of private sector resources, topped up with smaller amounts of local authority support, a situation which appeared to be "less than satisfactory" for a number of reasons.

These included the fact that resources were very limited relative to needs in

many cases, funding commitments were predominantly short-term; support was vulnerable to changes in resource levels and priorities of the sponsors; and valuable staff and sponsor time was diverted to raising and securing resources.

Viewed from the national level there were also grounds for concern about the financing of agencies because ambitious national targets had been set and the pool of private sector resources in cash and staff available for secondment must be finite. Furthermore local authority resources were increasingly constrained and their priorities under harder scrutiny.

Together these factors suggest that some form of centrally provided long-term core funding will be needed if the expansion and extension of local enterprise agency work is not to be constrained.

The Impact of Local Enterprise Agencies in Great Britain is published by the Centre for Employment Initiatives and Business in the Community, price £3, from CEI, 140a Lancaster, London WC2R 8PA.

The banks do try to help

FORUM

IN HIS recent article (January 4) Stewart Price made some damaging assertions and strong criticisms of the treatment of small businesses by banks. We at Barclays recognise that we are not completely perfect and acknowledge that borrowers sometimes express resentment of what they see as pressure from their bank. Nevertheless, we refute the suggestion that bank managers are lacking training and experience to enable them to make judgments on the quality of business borrowers. Our aim is not to be antagonistic towards borrowers but to create an atmosphere of cooperation in the interests of both lender and borrower. In this the businessman's other professional advisers, the accountant and solicitor, have a vital role to play.

The report by Robson Rhodes is quoted as evidence of "a general unawareness on the part of both borrowers and lenders of the elements of running a small business." It should be stressed that this observation—which incidentally criticises the borrower as well as the bank—was made specifically in the context of the high risk small business loan guarantee scheme, under which Barclays has some £110 million outstanding. Overall, the bank has lent around £5 billion to small businesses.

In any case, it is simply not true that managers are not trained in the appraisal of business propositions or that specifically they are not equipped to comprehend management accounts. Indeed, the converse is true. The banks would be delighted to see the preparation of proper management accounts which has to be examined case by case. But it is simply sense to examine the commitment to fixed interest borrowings in relation to the equity of the business and the level of resources available to pay the loans.

The second is the aggregation of borrowing. Again, it is true that banks are inclined to look not only at the individual borrowing proposition but also to examine a request in the context of any other commitments by the borrower. Generally, though, in the case of the small business, that business is likely to be the main if not the only source of cash to pay for borrowings. It makes sense, in the interests of the borrower as well as the lender, to examine the total commitment and not to encourage over-borrowing.

Finally, on the important aspects which banks look for when lending to business is commitment by the proprietor, not only in personal but also in financial terms. It can be too easy for an owner to walk away from a business when hard times come. This commitment may well include security for the borrowing. A viable business will always be considered favourably, but the availability of security may influence the lending decision and the terms on which it is made available.

In the end, a successful relationship between bank and small business customer must depend on mutual confidence and understanding.

check. Moreover, the availability of properly prepared management accounts would often make getting a loan easier. It is sometimes valid lending proposition. They also attempt to appraise the borrower individually. It is only commonsense to make an effort to understand the capabilities and to assess the capability of the person involved. There are some people who could make a success of almost any product; others who may be brilliant in some respects but may not have the entrepreneurial capability.

This aside, the important factor which a bank will look at in lending to a small business or any other borrower is the ability to service the loan. Clearly, profit and turnover projections are relevant. But so is the related issue of the projected availability of cash to meet interest and capital payment. It is well known that it is perfectly possible for a profitable business to get into difficulties through shortage of cash.

This is just as important to the borrower as to the bank. And contrary to Mr Price's assertion, the bank would greatly prefer borrowers not to offer over-optimistic forecasts of turnover, profitability and cash flow.

Two other points mentioned are relevant to the question of ability to pay. One is gearing. It is true that banks do look at this aspect, although it is impossible to set out any general rule for an issue which has to be examined case by case. But it is simply sense to examine the commitment to fixed interest borrowings in relation to the equity of the business and the level of resources available to pay the loans.

The training and experience of a bank branch manager equip him or her not only to understand management accounts, but also to grasp and to make necessary questions the assumptions on which forecasts of markets, turnover and profitability are based. Moreover, it is precisely because of the need for a check on actual performance as against the original projections that banks are keen to encourage the use of management accounts not only by small business but by all companies.

It is true that borrowers may feel that regular monitoring of performance is being done for the benefit of the bank; but as already pointed out, it is equally important for the businessman himself to have that

SIGNPOST

A CENTRE for Small Business Development has been established at the University of Warwick by chartered accountants Touche Ross, who are providing funding of £150,000 over the next five years.

The centre is based in the university's School of Industrial and Business Studies, where a number of initiatives in the small business area are already well established.

The centre's director is Ian Watson, lecturer in marketing at the business school. The two Manpower Services Commission programmes which SIBS is running, the New Enterprise programme and the Management Extension programme, will come under the centre, which will also coordinate teaching in the small business area at undergraduate and postgraduate level.

It will continue to organise small business workshops and short courses for professional associations. New initiatives under consideration include the establishment of a graduate enterprise programme for the Midlands and involvement with the Young Enterprise scheme.

A PACKAGE trip for people intending to take part in the International Small Business

New centre for business development

Congress in Taiwan in September has been organised by the United Kingdom representative of the USBC's steering committee.

As the congress in Taipei coincides with EXPO 85 being held in Japan it is proposed to include visits in the trip. Total cost for the six-day visit is expected to be about £1,500.

Further information can be obtained from Stan Mendham, Forum of Private Business, Ruskin Chambers, Drury Lane, Knutsford, Cheshire WA16 6HA, telephone (0565) 4467.

SMALL and medium sized enterprises in assisted areas are being supported with a £10 million loan from the European Investment Bank, the community's bank for long term finance. The funds are being made available to the investors in industry in the form of a global loan.

The group, which includes the Industrial and Commercial Finance Corporation (ICFC), lends the funds for projects in industry, related to the manufacturing sector, ranging between £15,000 and £250,000, covering up to 50 per cent of the capital investment costs in a venture at fixed interest rates.

Global loans to the group

from the EIB's own resources and from those of the New Community Instrument total some £33.5 million and have gone towards the setting up or expansion of 198 enterprises and the creation or safeguarding of more than 6,800 jobs in the UK.

A FREE self-employment awareness course, run by the Manpower Services Commission, is to be held in Taunton, Somerset, on three successive Mondays on March 11, 18, and 25. The course is open to unemployed and employed people over 18.

It is designed to provide background information on becoming self-employed and the advantages and pitfalls of running a business.

Further information can be obtained from Sean Coleman, MSC Training Division, Michael Paul House, Taunton, telephone Taunton 85177, extension 206.

AN international association has been launched in Brussels to assist new business and job creation, particularly through technological innovation, called the European Business and Innovation Centre Network.

EBN will support the activities of business and innova-

tion centres, such as enterprise parks, acting as a clearing house for the exchange of information and experience. It will also provide professional advice and support and encourage cooperation, particularly in marketing and technology transfer.

The founding membership consists of fourteen organisations, including Britain's Business in the Community, from the seven nations in the EEC.

The European Commission is providing £250,000 this year to establish the secretariat in Brussels. Two international seminars will also be held this year, in Brussels in June and London in October.

STOY HAYWARD, the chartered accountant, has published the second edition of their guide to UK sources of venture capital. Phillip Stoy, senior partner elect of Stoy Hayward, says in his introduction that the significant increase in venture capital facilities in the last year is shown by the fact that 50 per cent more firms are listed this year.

He warns that there is a danger that a proliferation of venture capital firms coupled with an increase in the

number of investments could produce a dilution of available management expertise within the industry.

"One of the criteria for the surviving venture capital firm of the future could well be its willingness to cut losses at a relatively early stage," he adds.

Sources of Venture Capital in the United Kingdom can be obtained from JH Clennell, Stoy Hayward, 8 Baker Street, London W1M 1DA.

A PILOT export action programme to boost exports by small businesses has begun in East Anglia, aimed at organisations providing export services and small firms which have export potential but which have not yet begun to export or want to increase them.

Further information can be obtained from Brian Ogley, Small Business Research Trust, 3 Dean Trench Street, London SW1P 3BH.

MARGARET HYDE has been appointed director of AERC, the Action Resource Centre, which finds ways in which the resources of industry and commerce can be used to community benefit and links specific business skills with

the needs of community based projects.

She is currently head of information at the National Council for Voluntary Associations.

THE Chancellor of the Exchequer, Nigel Lawson, will be the main speaker at the national conference of the Small Business Bureau on May 22.

The conference, which last year was addressed by the Prime Minister, will be held at the Lakeside Country Club, Frimley, Surrey.

Further information can be obtained from the Conference Administrator, Miss Irene Jeffrey, Small Business Bureau, 32 Smith Square, London SW1P 3BH.

THE annual conference of the European Foundation for Management Development is being held in Geneva on May 12-15 on the theme of "Management in Europe and in the developing countries: common issues and new forms of cooperation."

Further information can be obtained from the EFMD, 40 Rue Washington, B-1050 Brussels, Belgium, or the International Management Institute, 4 Chemin des Conches, CH-1231 Conches-Geneva, Switzerland.

BUSINESS OPPORTUNITIES

FROZEN FOOD DISTRIBUTORS FOR SALE

Auto loaded turnover 1983 £150,000 plus. 100,000 sq ft. (100,000 sq ft. in 1984) plus 100,000 sq ft. in 1985. (100,000 sq ft. in 1986) plus 100,000 sq ft. in 1987. (100,000 sq ft. in 1988) plus 100,000 sq ft. in 1989. (100,000 sq ft. in 1990) plus 100,000 sq ft. in 1991. (100,000 sq ft. in 1992) plus 100,000 sq ft. in 1993. (100,000 sq ft. in 1994) plus 100,000 sq ft. in 1995. (100,000 sq ft. in 1996) plus 100,000 sq ft. in 1997. (100,000 sq ft. in 1998) plus 100,000 sq ft. in 1999. (100,000 sq ft. in 2000) plus 100,000 sq ft. in 2001. (100,000 sq ft. in 2002) plus 100,000 sq ft. in 2003. (100,000 sq ft. in 2004) plus 100,000 sq ft. in 2005. (100,000 sq ft. in 2006) plus 100,000 sq ft. in 2007. (100,000 sq ft. in 2008) plus 100,000 sq ft. in 2009. (100,000 sq ft. in 2010) plus 100,000 sq ft. in 2011. (100,000 sq ft. in 2012) plus 100,000 sq ft. in 2013. (100,000 sq ft. in 2014) plus 100,000 sq ft. in 2015. (100,000 sq ft. in 2016) plus 100,000 sq ft. in 2017. 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SMALL BUSINESS

Skills mean interest

AUTOMATED production does not produce automatic profits. The call for higher levels of investment in new technology frequently overlooks the real problems of using technology at the workplace.

It is no longer a question of whether we are investing enough in new technologies. It is whether we use them efficiently and competitively. The question can be an especially crucial one for small firms — which use novel technologies more often than some people think.

In the engineering industry, a technology of growing importance is Computer Numerically Controlled Machine Tools (CNC). Small firms, those employing less than 200, are significant users of CNC machines. In a recent study of 40 small engineering firms in South East England, I found investment in CNC at an impressive level.

Between 1979 and 1983 a total of £10.5 million had been invested in 128 such machines, averaging over £250,000 per firm. Most of them thought the investment was essential for economic survival. Falling profits and demand highlighted the need to maintain competitiveness, and a major method by which this was to be achieved was through the use of CNC machines.

The investment was successful — at least the firms were still there, and were generally optimistic about the future. What was particularly interesting about these firms' use of CNC was their perceptions of where their competitive advantage lay, and the importance they attached to skill.

CNC machinery is suited to the manufacture of complex products in small quantities or batches. The machine can be prepared quickly, and accurately machined parts can be repeatedly produced. Such factors were major advantages for these firms. They tended to produce parts where high quality was required, such as defence and nuclear industry work, or were general subcontractors whose competitive edge lay in quick responses and delivery times. Batch sizes were invariably small.

To obtain these advantages the skilled labour input was crucial. CNC use involved little or no job losses. And significantly, it involved no general reduction in the skill levels of the operator — points of some consequence for industrial relations.

CNC provides an interesting case of the varied impact of new techniques on jobs and the people who do them. The computer on each machine can be programmed on the

machine, or separately in a programming office. Computer skills can therefore be kept to the shopfloor with the operator, or taken off the shopfloor. There is scope for choice, and many small firms chose the former method.

They trained the operator in computer skills. Primarily they learned how to "de-bug" and improve computer programs, though in some firms operators wrote the original programs as well. When these tasks are included with those of preparing the machine, CNC operation can be a highly skilled occupation.

The firms which chose to develop operator skills in this way tended to be the firms producing in more unpredictable markets, where batches were small, where fast production times were required, or where quality standards had to be high. It was the smallest firms which tended to use such skilled labour.

Clearly such firms could not afford a full-time computer programmer, but they could still have tried to keep the difficult computer tasks for supervisory staff or management. Partly the reason why they did not is that even with modern technological wizardry, you still need human experience and judgment to know when the machine is doing the right job and when it is not.

Particularly when quality standards are stringent, or the product is such that the cost of a single mistake can be very high. Time and time again production managers testified to the need to use skilled men in such circumstances.

But it was sometimes social as well as technical reasons which dictated the choice of how to package up the tasks into jobs. In general these small firms were very keen on fostering good social relations. And so it was with their introduction of CNC. The chance to operate a CNC machine was often perceived as a form of reward.

Managers with an engineering background were particularly keen to adopt the solution of upgrading craftsmen's skills. They could assess the practical advantages. But it was also, perhaps, that they had a stronger sense — a romantic sense, if you like — of the desirability of maintaining the skill and status of craftsmen as an end in itself.

Anyway, such tactics paid off. If one looks at profits from 1979 to 1983 and separates those firms in which operators performed computer-related tasks from those that restricted operators' tasks, there are interesting differences.

The former, while suffering a decline in profitability, were still profitable; the latter's figures tumbled into significant losses. Both types of firm worked in similar markets and to similar batch sizes.

What does this tell us? It shows that when managers have the confidence and desire to use new technology in such a way to improve skills rather than remove them to lower wages and give better control as the textbooks often promise, advantages can accrue. Quality of products and product times can improve, and from such improvements a competitive advantage can appear.

Are such situations confined to the small firm? Certainly managers in larger firms have a long way to go to gain the confidence to use this technology in the same way. Processes of negotiation, presentation of issues, and the extent of trade union involvement must all improve. As to the desire for such improvements, well that is another matter.

Mark Dodgson

In a straitjacket

LORD HARRIS, of High Cross, once stated, "Beware of economists. They often argue among themselves and they are often wrong." Despite this we are often assailed by their siren voices, pontificating from the lofty heights of academe and all too often using large businesses as their models.

But what is life really like for those little firms "at the sharp end" — the large majority of small businesses employing (on average) less than five people? These two and a half million or so employers are responsible for employing a further six million and the total provides some 25 per cent of our Gross National Product.

One case should highlight the realities of life "at the bottom" as a salutary example of what happens to the whole. A woman employee worked on a Friday afternoon. However, her young daughter came home from school before she finished work and so she asked her employer whether she could work on a Saturday morning because it would be much more convenient for her.

Because it was a small retail shop and an extra pair of hands would prove more useful on a Saturday morning than on a Friday afternoon, the "boss" agreed. Remember that it was at the employee's own suggestion that this took place and without any coercion on the employer's part.

All was sweetness and light until along came a Wages Inspector.

"This lady is working anti-social hours in that she is away from her family over part of the week-end." (Remember that it was because she was away from her family at a critical time in the first place that stimulated the change!) "Because of this she should be compensated by extra pay."

The woman concerned explained carefully that it was at her own instigation and that she did not want any increase in pay, while the

"boss" explained that the cash-flow and profit-margin simply could not sustain any increase.

Alas, all was in vain. The pleas fell on deaf ears and the Wages Inspector insisted that additional pay should be forthcoming, not only straight away but also for the previous Saturdays that she had worked.

The obvious end-result was that not only did the lady lose her job, but that the small shop lost an extra pair of useful hands. The state lost out in the taxes paid by the employee and the taxation paid on her behalf by the employer. Legal victory 1, practical solution 0.

The simple lesson to be learnt from this is one well known to any small business concern. If, for a variety of reasons, insufficient income is being generated — or if insufficient money is left at the end of the day to finance it, no job can be paid for.

Various mechanisms exist to deprive a small business (indeed any business) of the funds required from which to provide jobs, not least the hidden taxations of high rates (which bear no relationship to the ability to pay), high energy costs and high public utility charges and high additional levies on employment (such as N.I. charges and the compliance costs of employment legislation).

At this level there is no doubt that the work-force have been priced out of a job. The question is, who is to blame? The trades unions for their unilaterally-negotiated wage deals which cannot possibly reflect the micro changes in various localities or trades, the Wages Councils, the public-sector's inflationary wage-demands, which further twist the inflationary spiral upwards, the State's minimum "poverty" level, or the do-gooder elements in society?

It is certainly not the fault of the average, run of the mill, majority small businessman or woman.

Bernard Juby

Butties come by runner

Paul Nathanson describes a venture based on speed and quality

SELLING sandwiches in the City may seem as risky as starting up a pastry shop in Vienna. But in spite of stiff competition, Robin Birley is opening his third sandwich bar next month.

Birley, 27, articulate, affable and passionately committed to the sandwich, began his operation late in 1979 on an initial outlay of £25,000. Since then profits have risen from zero to £75,000 last year when he sold between 400,000 and 450,000 sandwiches.

Account clients now include The Stock Exchange, Midland Bank, Bank of America, IBM, Canada Line shippers, Life Assurance and a clutch of merchant banks.

How has he made his sandwiches so competitive with at least a hundred other bars in the Square Mile? "Quality, value for money and speed," he replies, jammed behind a desk in a tiny office in the City. "I'm also trying to make something which is a pleasure to eat."

Indeed the menu offers 18 varieties in granary bread, ranging from plain avocado to curried turkey at an average price of £1.50. All the food is carefully selected from specialist suppliers. Drinks offered include Cotes du Rhone, Muscadet, lager and soup.

Service is the key to Birley's success — in and out of the bars — as well as the

quality of the food. He claims he was the first to deliver sandwiches anywhere in the City (there's no charge) and he also has customers as far afield as Vauxhall and the West End. They have their orders delivered by taxi and pay for the transport.

But Birley has taken over four years to get it right. The idea of delivering sandwiches from the United States where he spent a year working in supermarkets straight after school. He soon discovered that in New York you can get everything delivered from chop suey to pizzas.

"We started by using a car," he explains, "but could never park. Then I bought five butchers' bikes but the boys ran them up the pavements and broke not only the tyres but bottles too. A fifth of the deliveries were late or botched to boot."

Inspiration struck. Runners. Now he has four doing foot deliveries from the shop in Cullum Street and two from Moorfields near Moorgate underground station. They deliver some 600 sandwiches a day, including two dozen platters with six to eight sandwiches for boardroom lunches, although 80 per cent of customers are individuals who want a working lunch at their desk.

Birley is delighted with his runners who have proved far more efficient than bikes or

car. Their incentive: a 5 per cent commission on sandwiches carried on top of a basic wage. Full-time staff at the two shops also enjoy free private medical insurance. At present there are 22 employees with 12 more coming in March to man the new shop.

The shops are bright, clean and appetising and Birley wants to keep his staff, encouraging them to take a pride in their work and also to talk to customers about their choice of sandwich. Pride and the personal touch therefore are cornerstones of successful service.

Yet Robin Birley freely admits that the road to success has been slow and very, very potted. He started in September 1979 when he took over a small sandwich bar in Fenchurch Street in the City. He had just three A-levels and a year of American supermarkets behind him: at 21 he acquired management skills by trial and error. He had no time for courses or theory.

One glaring error, he says, was diversifying on the first whiff of success. He opened a shop in a pub and also a bakery, only to close them as he found himself losing control of the original business.

The first site in Fenchurch Street was demolished by compulsory order and Birley opened Cullum Street and Moorfields in late 1982 and

mid-1983 after a fruitless stint in Mayfair. The new shop, he enthuses, will totally change his business. "Things'll move much quicker by having two queues, using two counters with eight self-contained sandwich-making stations."

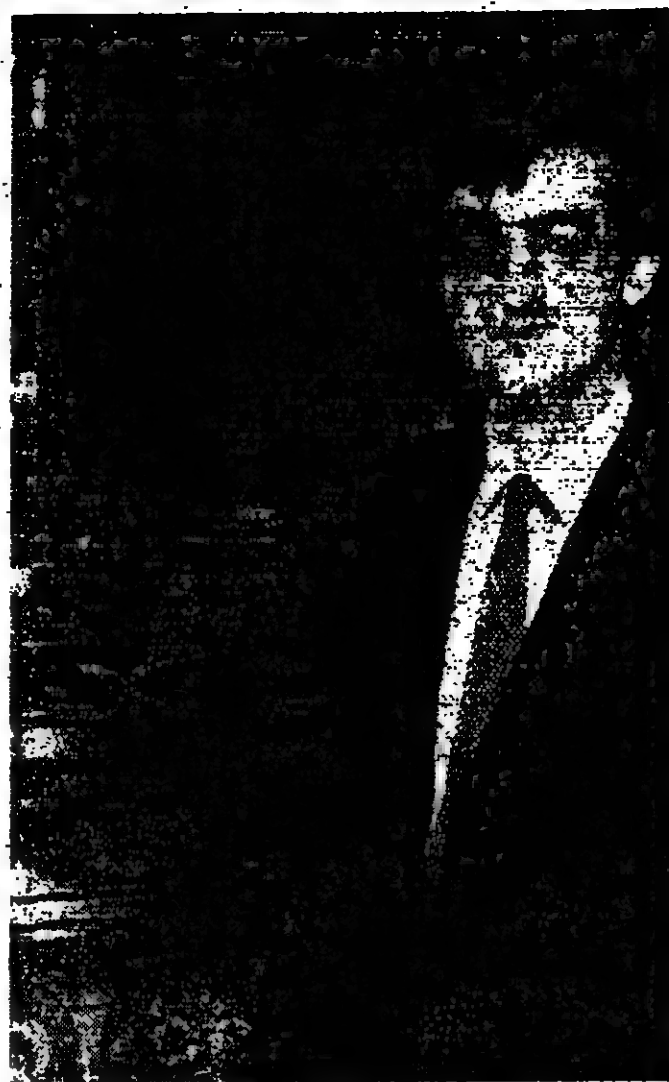
"We'll also have computerised keyboards sending invoices straight through to the tills, which will eliminate queues there. I hope to cut out all the hurly-burly and rush which exist now." In future the managers can concentrate on the customers and not be searching around for supplies that might have run short.

Birley works a minimum of 12 hours a day and admits that he thinks of little else than sandwiches or his dream shop which he helped to design. Within the next two years he hopes to open as many as four more bars in the City.

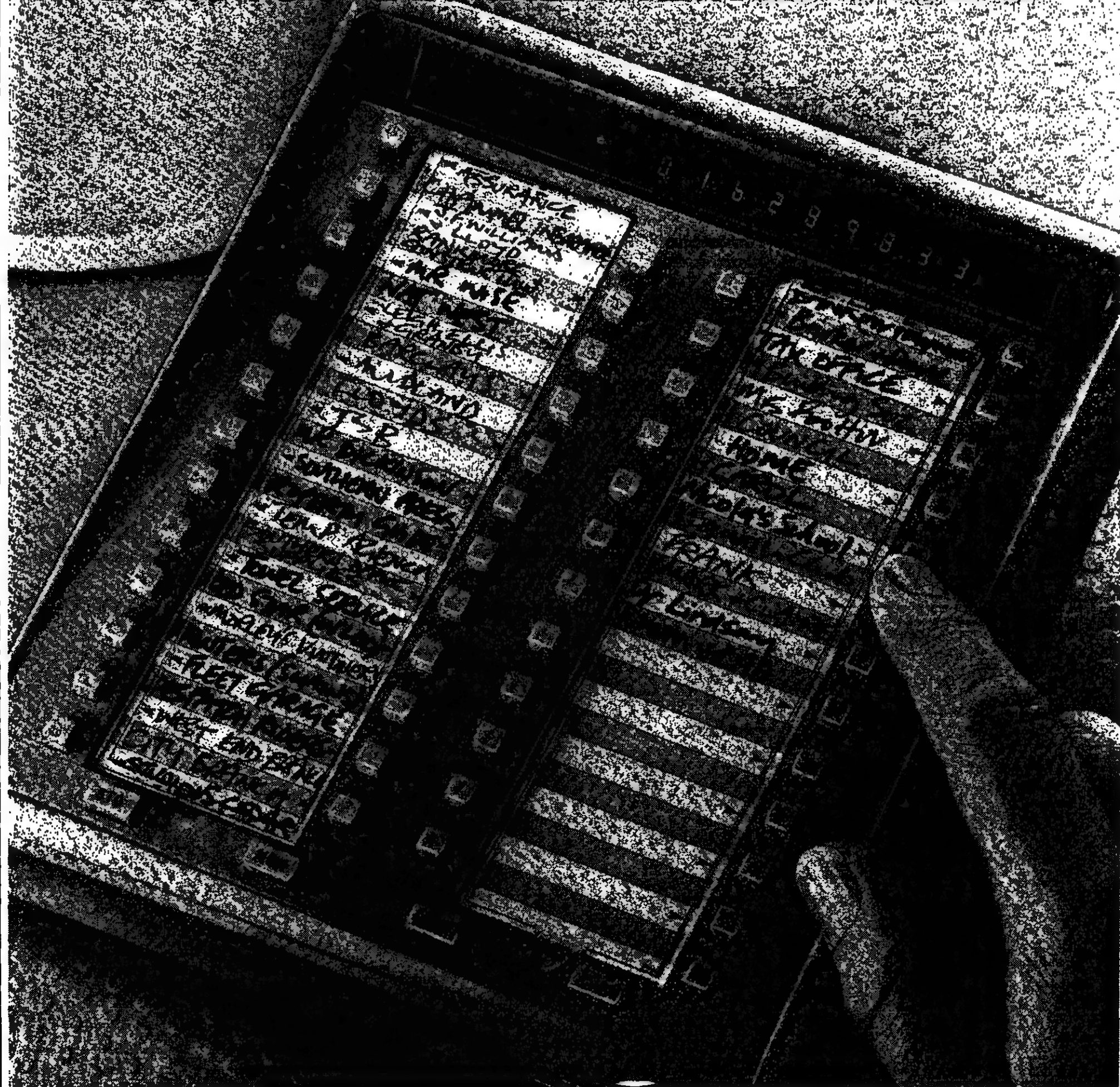
"I have no regrets about diving in the deep end," he reflects, "When you're young you can make a fool of yourself. It's vital to do everything possible in those 10 years after school. But it's also important to be patient. It all takes time and you've got to be prepared to make mistakes."

"If you're not making mistakes, you're not experimenting and that means you're too nervous to try anything new."

Robin Birley at the bar



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